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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

Lori A. Shibinette
Commissioner

Katja S. Fox
Director

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
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August 20, 2021

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, to amend existing contracts with the Contractors listed below **in bold** for the continued provision of Medication Assisted Treatment to individuals with Opioid Use Disorders, by exercising contract renewal options by increasing the total price limitation by $206,642 from $1,756,875 to $1,963,517 and extending the completion dates from September 29, 2021 to June 30, 2022, effective upon Governor and Council approval. 100% Federal Funds.

The original contracts and subsequent amendments were approved by Governor and Council as listed in the table below.

Contractor Name	Vendor Code	Area Served	Current Amount	Increase (Decrease)	Revised Amount	G&C Approval
Elliot Hospital of the City of Manchester	**174360**	**Manchester**	**$271,428**	**$52,531**	**$323,959**	**O: 1/9/19, Item #9** **A1: 6/24/21, Item #30** **A2: 1/22/21, Item #22**
LRGHealthcare	177161	Laconia	$439,526	$0	$439,526	O: 12/5/18, Item #22 A1: 1/22/19, Item #22
Mary Hitchcock Memorial Hospital	**177651**	**Lebanon**	**$408,065**	**$105,062**	**$513,127**	**O: 12/5/18, Item #22** **A1: 6/24/20, Item #30** **A2: 1/22/21, Item #22**
Harbor Homes, Inc.	155358	Nashua	$271,428	$0	$271,428	O: 12/5/18,Item #22

Riverbend Community Mental Health, Inc.	177192	Concord	$271,428	$0	$271,428	O: 12/5/18, Item #22
Concord Hospital - Laconia	**355256**	**Laconia**	**$95,000**	**$49,049**	**$144,049**	**O: 6/2/2021, Item #27**
		Total:	**$1,756,875**	**$206,642**	**$1,963,517**	

Funds are available in the following accounts for State Fiscal Year 2022, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

See attached fiscal details.

EXPLANATION

The purpose of this request is for the Contractors to continue providing comprehensive Medication Assisted Treatment to individuals with Substance Use Disorder by using FDA-approved medications while ensuring the provision of services specifically designed for pregnant and postpartum women with Opioid Use Disorder.

Approximately 1,000 individuals will be served during State Fiscal Year 2022.

The Department will monitor contracted services through monthly reports to ensure:

- Fifty percent (50%) of individuals with Opioid Use Disorder referred to the Contractors for Medication Assisted Treatment services receive at least three (3) clinically appropriate, Medication Assisted Treatment related services.
- One hundred percent (100%) of clients seeking services that enter care directly through the Contractors, who consent to information sharing with the Regional Doorway for Opioid Use Disorder services, receive a Doorway referral for ongoing care coordination.
- One hundred percent (100%) of clients referred to the Contractors by the Regional Doorway for Opioid Use Disorder services have proper consents in place for transfer of information for the purposes of data collection between the Doorway and the Contractors.

As referenced in C-1, Revisions to Standard Contract Language of the original contracts for Elliot Hospital of the City of Manchester and Mary Hitchcock Memorial Hospital, and as referenced in Exhibit A, Revisions to Standard Agreement Provisions Language of the original contract with Concord Hospital - Laconia, the parties have the option to extend the agreements for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for nine (9) months of the one (1) year available.

Should the Governor and Executive Council not authorize this request, individuals with Opioid Use Disorder in need of Medication Assisted Treatment and additional supports may have reduced access to services or increased likelihood of having to be placed on a waitlist to access care. This may result in an increase of overdoses during the waiting period and/or reduced motivation to seek help if it is unavailable to individuals when they are ready to seek help for Opioid Use Disorder.

Area Served: Area served: Manchester, Laconia, and Lebanon regions

Source of Funds: CFDA #93.788, FAIN #TI081685 and CFDA #93.788, FAIN #TI083326.

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

Respectfully submitted,

Lori A. Shibinette
Commissioner

DEPARTMENT OF HEALTH AND HUMAN SERVICES
FISCAL DETAILS SHEET

05-92-92-920510-70400000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG AND ALCOHOL SERVICES, SOR GRANT

100% Federal Funds

Vendor Name: **Elliot Hospital of the City of Manchester** — Vendor # 174360

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$40,734.00	$0.00	$40,734.00
2020	102/500731	Contracts for Program Services	92057040	$97,132.00	$0.00	$97,132.00
2021	102/500731	Contracts for Program Services	92057040	$28,500.00	$0.00	$28,500.00
2021	102/500731	Contracts for Program Services	92057047	$15,062.00	$0.00	$15,062.00
2021	102/500731	Contracts for Program Services	92057048	$60,000.00	$0.00	$60,000.00
2022	102/500731	Contracts for Program Services	92057048	$30,000.00	$0.00	$30,000.00
2022	074/500585	Grants for Pub Asst and Rel	92057048	$0.00	$52,531.00	$52,531.00
		Sub Total		***$271,428.00***	***$52,531.00***	***$323,959.00***

Vendor Name: **Harbor Homes, Inc.** — Vendor # 155358

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$135,714.00	$0.00	$135,714.00
2020	102/500731	Contracts for Program Services	92057040	$135,714.00	$0.00	$135,714.00
2021	102/500731	Contracts for Program Services	92057040	$0.00	$0.00	$0.00
2021	102/500731	Contracts for Program Services	92057047	$0.00	$0.00	$0.00
2021	102/500731	Contracts for Program Services	92057048	$0.00	$0.00	$0.00
2022	102/500731	Contracts for Program Services	92057048	$0.00	$0.00	$0.00
2022	074/500585	Grants for Pub Asst and Rel	92057048	$0.00	$0.00	$0.00
		Sub Total		***$271,428.00***	***$0.00***	***$271,428.00***

Vendor Name: **LRGHealthcare** — Vendor #

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$135,714.00	$0.00	$135,714.00
2020	102/500731	Contracts for Program Services	92057040	$135,714.00	$0.00	$135,714.00
2021	102/500731	Contracts for Program Services	92057040	$24,098.00	$0.00	$24,098.00
2021	102/500731	Contracts for Program Services	92057047	$96,000.00	$0.00	$96,000.00
2021	102/500731	Contracts for Program Services	92057048	$48,000.00	$0.00	$48,000.00
2022	102/500731	Contracts for Program Services	92057048	$0.00	$0.00	$0.00
2022	074/500585	Grants for Pub Asst and Rel	92057048	$0.00	$0.00	$0.00
		Sub Total		***$439,526.00***	***$0.00***	***$439,526.00***

Vendor Name: **Mary Hitchcock Memorial Hospital** — Vendor # 176651

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$0.00	$0.00	$0.00
2020	102/500731	Contracts for Program Services	92057040	$155,941.00	$0.00	$155,941.00
2021	102/500731	Contracts for Program Services	92057040	$42,000.00	$0.00	$42,000.00
2021	102/500731	Contracts for Program Services	92057047	$30,124.00	$0.00	$30,124.00
2021	102/500731	Contracts for Program Services	92057048	$120,000.00	$0.00	$120,000.00
2022	102/500731	Contracts for Program Services	92057048	$60,000.00	$0.00	$60,000.00
2022	074/500585	Grants for Pub Asst and Rel	92057048	$0.00	$105,062.00	$105,062.00
		Sub Total		***$408,065.00***	***$105,062.00***	***$513,127.00***

Vendor Name: **Riverbend Community Mental Health** — Vendor # 177192

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$101,786.00	$0.00	$101,786.00
2020	102/500731	Contracts for Program Services	92057040	$135,714.00	$0.00	$135,714.00
2021	102/500731	Contracts for Program Services	92057040	$33,928.00	$0.00	$33,928.00
2021	102/500731	Contracts for Program Services	92057047	$0.00	$0.00	$0.00
2021	102/500731	Contracts for Program Services	92057048	$0.00	$0.00	$0.00
2022	102/500731	Contracts for Program Services	92057048	$0.00	$0.00	$0.00

DEPARTMENT OF HEALTH AND HUMAN SERVICES
FISCAL DETAILS SHEET

2022	074/500585	Grants for Pub Asst and Rel	92057048	$0.00	$0.00	$0.00
		Sub Total		***$271,428.00***	***$0.00***	***$271,428.00***

Vendor Name **Concord Hospital - Laconia** Vendor # 355356

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$0.00	$0.00	$0.00
2020	102/500731	Contracts for Program Services	92057040	$0.00	$0.00	$0.00
2021	102/500731	Contracts for Program Services	92057040	$0.00	$0.00	$0.00
2021	102/500731	Contracts for Program Services	92057047	$33,000.00	$0.00	$33,000.00
2021	102/500731	Contracts for Program Services	92057048	$14,000.00	$0.00	$14,000.00
2022	102/500731	Contracts for Program Services	92057048	$48,000.00	$0.00	$48,000.00
2022	074/500585	Grants for Pub Asst and Rel	92057048	$0.00	$49,049.00	$49,049.00
		Sub Total		***$95,000.00***	***$49,049.00***	***$144,049.00***
			Overall Total	**$1,756,875.00**	**$206,642.00**	**$1,963,517.00**

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State of New Hampshire
Department of Health and Human Services
Amendment #3

This Amendment to the Medication Assisted Treatment contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and Elliot Hospital of the City of Manchester ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on January 9, 2019 (Item #9), as amended on June 24, 2020 (Item #30), as amended on January 22, 2021 (Item #22), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to General Provisions, Section 9, Renewal, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; 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. Form P-37 General Provisions, Block 1.7, Completion Date, to read:

   June 30, 2022.

2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

   $323,959.

3. Modify Exhibit A, Section 8, State Opioid Response (SOR) Grant Standards, Subsection 8.3. to read:

   8.3. Reserved

4. Modify Exhibit A, Scope of Services, Section 8, State Opioid Response (SOR) Grant Standards, Paragraph 8.10., to read:

   8.10. The Contractor shall ensure that SOR grant funds are not used to purchase, prescribe, or provide marijuana for treatment using marijuana. The Contractor shall ensure:

   8.10.1. Treatment in this context includes the treatment of opioid use disorder (OUD).

   8.10.2. Grant funds are not provided to any individual who, or organization that, provides or permits marijuana use for the purposes of treating substance use or mental disorders.

   8.10.3. This marijuana restriction applies to all subcontracts and memorandums of understanding (MOU) that receive SOR funding.

5. Modify Exhibit A, Scope of Services, Section 8, State Opioid Response (SOR) Grant Standards, by adding Paragraph 8.12., to read:

   8.12. The Contractor shall provide a Fentanyl test strip utilization plan to the Department for approval prior to implementation. The Contractor shall ensure the utilization plan

Contractor Initials
Date 9-9-21

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includes:

8.12.1. Internal policies for the distribution of Fentanyl strips;

8.12.2. Distribution methods and frequency; and

8.12.3. Other key data, as requested by the Department.

6. Modify Exhibit B Amendment #2, Methods and Conditions Precedent to Payment, Section 1, to read:

1. This Agreement is funded by 100% Federal funds from the State Opioid Response Grant, as awarded on 09/30/2018, by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI081685, and as awarded on 09/30/2020, by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI083326, and as awarded on 08/09/2021, by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI083326.

7. Modify Exhibit B Amendment #2, Methods and Conditions Precedent to Payment, Section 1, to read:

3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line item, as specified in Exhibit B-1, Budget through Exhibit B-7 Amendment #3 Budget, SOR II.

8. Modify Exhibit B, Amendment # 2, Methods and Conditions Precedent to Payment, Section 5., to read:

5. The Contractor shall submit an invoice and supporting backup documentation in a form satisfactory to the State by the fifteenth (15th) working day of the following month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The Contractor shall ensure the invoice is completed, dated and returned to the Department in order to initiate payment. Invoices shall be net any other revenue received towards the services billed in fulfillment of this agreement. The Contractor shall ensure:

5.1. Backup documentation includes, but is not limited to:

5.1.1. General Ledger showing revenue and expenses for the contract.

5.1.2. Timesheets and/or time cards that support the hours employees worked for wages reported under this contract.

5.1.2.1. Per 45 CFR Part 75.430(i)(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

5.1.2.2. Attestation and time tracking templates, which are available to the Department upon request.

5.1.3. Invoices supporting expenses reported.

5.1.3.1. Unallowable expenses include, but are not limited to:

5.1.3.1.1. Amounts belonging to other programs.

5.1.3.1.2. Amounts prior to effective date of contract.

5.1.3.1.3. Construction or renovation expenses.

5.1.3.1.4. Food or water for employees.

5.1.3.1.5. Directly or indirectly, to purchase, prescribe, or

Contractor Initials

Date 9.9.21

DocuSign Envelope ID: 9FE4CEE9-898B-448F-A51C-88D04C77D28B

provide marijuana or treatment using marijuana.

5.1.3.1.6. Fines, fees, or penalties.

5.1.3.1.7. Per SAMSHA requirements, meals are generally unallowable unless they are an integral part of a conference grant or specifically stated as an allowable expense in the FOA. Grant funds may be used for light snacks, not to exceed three dollars ($3.00) per person for clients.

5.1.3.1.8. Cell phones and cell phone minutes for clients.

5.1.4. Receipts for expenses within the applicable state fiscal year.

5.1.5. Cost center reports.

5.1.6. Profit and loss report.

5.1.7. Remittance Advices from the insurances billed. Remittance Advices do not need to be supplied with the invoice, but should be retained to be available upon request.

5.1.8. Information requested by the Department verifying allocation or offset based on third party revenue received.

5.1.9. Summaries of patient services revenue and operating revenue and other financial information as requested by the Department.

9. Add Exhibit B-7, Amendment #3 Budget, SOR II, which is attached hereto and incorporated by reference herein.

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All terms and conditions of the Contract and prior amendments not modified by this Amendment remain in full force and effect. This Amendment shall be effective upon the date of Governor and Executive Council approval.

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

State of New Hampshire
Department of Health and Human Services

9/9/2021
Date

DocuSigned by:
Katja Fox
ED9B65B84CB3442...
Name: Katja Fox
Title: Director

Elliot Hospital of the City of Manchester

9.9.21
Date

Name:
Title: W. Gregory Baxter, MD
President

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

OFFICE OF THE ATTORNEY GENERAL

9/13/2021
Date

DocuSigned by:
J. Christopher Marshall
D8BD438E80D1403...
Name: J. Christopher Marshall
Title: Assistant Attorney General

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

OFFICE OF THE SECRETARY OF STATE

_____
Date

_____
Name:
Title:

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Contractor Name: Elliot Hospital of the City of Manchester

Project Title: Medication Assisted Treatment

Budget Period: SFY22 09/30/21-06/30/22

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 48,000.00	$ -	$ 48,000.00	$ -	$ -	$ -	$ 48,000.00	$ -	$ 48,000.00
2. Employee Benefits	$ 4,531.00	$ -	$ 4,531.00	$ -	$ -	$ -	$ 4,531.00	$ -	$ 4,531.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 52,531.00	$ -	$ 52,531.00	$ -	$ -	$ -	$ 52,531.00	$ -	$ 52,531.00
Indirect As A Percent of Direct		0.0%							

Contractor Initials
Date 9.9.21

State of New Hampshire

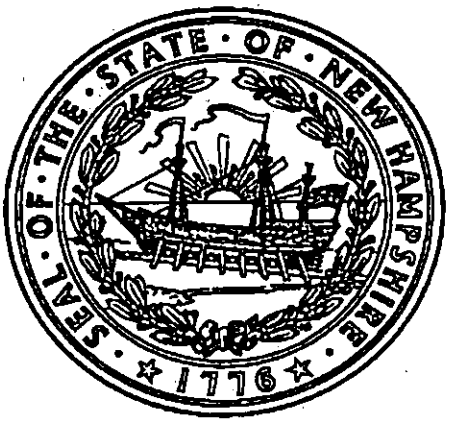
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that ELLIOT HOSPITAL OF THE CITY OF MANCHESTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on July 21, 1881. 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: **68025**

Certificate Number: **0005441621**



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 10th day of September A.D. 2021.

William M. Gardner

Secretary of State

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that ELLIOT HEALTH SYSTEM is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on June 25, 1999. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **320130**

Certificate Number: **0005441622**

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 10th day of September A.D. 2021.

William M. Gardner

Secretary of State

CERTIFICATE OF AUTHORITY

I, Loretta Brady, PhD, hereby certify that:

1. I am a duly elected Officer of Elliot Health System.

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on May 21, 2020, at which a quorum of the Directors were present and voting.

VOTED: That W. Gregory Baxter, MD, is duly authorized on behalf of Elliot Health System to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract termination 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: September 2, 2021

Signature of Elected Officer
Loretta Brady, PhD
Secretary

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 09/10/2021

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

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

PRODUCER Willis Towers Watson Northeast, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: Willis Towers Watson Certificate Center PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com
INSURED Elliot Hospital One Elliot Way Manchester, NH 03103	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: Elliot Health System — C2753 INSURER B: Safety National Casualty Corporation — 15105 INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: W21955605 REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:			SELF INSURED TRUST	07/01/2021	07/01/2022	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 0 $ 0 $ 0 $ 3,000,000 $ 0
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		AGC4063712	09/01/2020	01/01/2022	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ $ 1,000,000

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

CERTIFICATE HOLDER

State of NH DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

Julie M Powers

Elliot Health System
Mission Statement

Elliot Health System strives to:

INSPIRE wellness

HEAL our patients

and **SERVE** with compassion in every interaction.

BAKER NEWMAN NOYES

Elliot Health System and Affiliates

Audited Consolidated Financial Statements and Other Financial Information

Years Ended June 30, 2020 and 2019
With Independent Auditors' Report

Baker Newman & Noyes LLC
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ELLIOT HEALTH SYSTEM AND AFFILIATES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

June 30, 2020 and 2019

TABLE OF CONTENTS

BAKER NEWMAN NOYES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Elliot Health System

We have audited the accompanying consolidated financial statements of Elliot Health System and Affiliates (the System), which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
Elliot Health System

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of June 30, 2020 and 2019, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes LLC

Manchester, New Hampshire
September 11, 2020

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATED BALANCE SHEETS

June 30, 2020 and 2019

ASSETS

	2020	2019
Current assets:		
Cash and cash equivalents	$139,661,563	$ 83,196,511
Accounts receivable (notes 2, 5 and 11)	30,174,519	47,055,288
Inventories	5,239,643	4,380,747
Other current assets (notes 2 and 15)	27,596,621	17,686,613
Total current assets	202,672,346	152,319,159
Property, plant and equipment, less accumulated depreciation (notes 4 and 5)	216,664,558	202,710,683
Investments (notes 6 and 13)	97,182,629	75,712,637
Other assets (notes 2 and 15)	11,349,656	14,736,615
Assets whose use is limited (notes 6 and 13):		
Board designated and donor restricted investments	143,245,413	139,259,925
Held by trustee under revenue bond and note agreements	172,853	3,250
Employee benefit plans and other (note 2)	22,248,589	19,813,013
Beneficial interest in perpetual trusts (note 2)	7,564,017	7,438,506
	173,230,872	166,514,694
Total assets	$701,100,061	$611,993,788

LIABILITIES AND NET ASSETS

	2020	2019
Current liabilities:		
Accounts payable and accrued expenses	$ 34,661,975	$ 35,394,215
Accrued salaries, wages and related accounts	34,724,571	33,952,271
Accrued interest	1,707,456	1,741,690
Amounts payable to third-party payors (notes 2 and 3)	75,135,643	20,512,332
Current portion of long-term debt (note 5)	8,504,358	6,020,428
Total current liabilities	154,734,003	97,620,936
Accrued pension (note 8)	129,071,866	96,853,321
Self-insurance reserves and other liabilities (note 2)	49,037,630	39,988,107
Long-term debt, less current portion (note 5)	167,130,364	156,253,532
Total liabilities	499,973,863	390,715,896
Net assets:		
Without donor restrictions	169,202,086	194,214,667
With donor restrictions (note 7)	31,924,112	27,063,225
Total net assets	201,126,198	221,277,892
Total liabilities and net assets	$701,100,061	$611,993,788

See accompanying notes.

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2020 and 2019

	2020	2019
Operating revenues:		
Patient service revenues	$524,541,198	$554,054,433
Investment income (note 6)	5,825,582	5,552,942
Other revenues	52,366,507	32,793,411
Total operating revenues	582,733,287	592,400,786
Expenses (note 10):		
Salaries, wages and fringe benefits (note 8)	360,363,211	354,730,841
Supplies and other expenses (note 12)	159,143,945	163,521,167
Depreciation and amortization	21,873,770	21,040,931
New Hampshire Medicaid Enhancement Tax (note 14)	23,697,723	22,564,148
Interest	6,859,877	6,946,906
Total expenses	571,938,526	568,803,993
Income from operations	10,794,761	23,596,793
Nonoperating gains (losses), net:		
Investment (loss) return, net (notes 2 and 6)	(866,753)	5,404,253
Other (notes 2 and 9)	(2,408,357)	(3,367,446)
Net periodic pension (cost) gain, net of service cost (note 8)	(1,472,085)	2,589,438
Nonoperating (losses) gains, net	(4,747,195)	4,626,245
Consolidated excess of revenues and nonoperating gains (losses) over expenses	6,047,566	28,223,038
Noncontrolling interest in the net gain of consolidated affiliates	–	(47,920)
Excess of revenues and nonoperating gains(losses) over expenses attributable to Elliot Health System	6,047,566	28,175,118
Transfer to SolutionHealth	(985,542)	(706,222)
Pension adjustment (note 8)	(30,045,939)	(25,338,867)
Changes in noncontrolling interest in consolidated affiliates	–	(1,587,968)
Transfer of balances between funds	(28,666)	–
(Decrease) increase in net assets without donor restrictions	$(25,012,581)	$ 542,061

See accompanying notes.

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2020 and 2019

	Elliot Health System				
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Elliot Health System Net Assets	Non-controlling Interests in Consolidated Affiliates	Total Net Assets
Balances at July 1, 2018	$193,672,606	$19,378,268	$213,050,874	$ 572,827	$213,623,701
Excess of revenues and nonoperating gains over expenses	28,175,118	–	28,175,118	47,920	28,223,038
Restricted gifts and bequests	–	7,432,590	7,432,590	–	7,432,590
Investment return, net (note 6)	–	277,895	277,895	–	277,895
Net unrealized loss on investments (notes 2 and 6)	–	(25,528)	(25,528)	–	(25,528)
Pension adjustment (note 8)	(25,338,867)	–	(25,338,867)	–	(25,338,867)
Transfer to SolutionHealth	(706,222)	–	(706,222)	–	(706,222)
Changes in noncontrolling interest in consolidated affiliates	(1,587,968)	–	(1,587,968)	(620,747)	(2,208,715)
Increase in net assets	542,061	7,684,957	8,227,018	(572,827)	7,654,191
Balances at June 30, 2019	194,214,667	27,063,225	221,277,892	–	221,277,892
Excess of revenues and nonoperating (losses) gains over expenses	6,047,566	–	6,047,566	–	6,047,566
Restricted gifts and bequests	–	4,907,277	4,907,277	–	4,907,277
Investment return, net (note 6)	–	163,282	163,282	–	163,282
Net unrealized loss on investments (notes 2 and 6)	–	(238,338)	(238,338)	–	(238,338)
Pension adjustment (note 8)	(30,045,939)	–	(30,045,939)	–	(30,045,939)
Transfer to SolutionHealth	(985,542)	–	(985,542)	–	(985,542)
Transfer of balances between funds	(28,666)	28,666	–	–	–
(Decrease) increase in net assets	(25,012,581)	4,860,887	(20,151,694)	–	(20,151,694)
Balances at June 30, 2020	$169,202,086	$31,924,112	$201,126,198	$ –	$201,126,198

See accompanying notes.

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2020 and 2019

	2020	2019
Operating activities and net gains and losses:		
(Decrease) increase in net assets	$(20,151,694)	$ 7,654,191
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities and net gains and losses:		
Depreciation and amortization	21,873,770	21,040,931
Loss on disposal of property, plant and equipment	81,812	8,331
Restricted investment income and net gain on investments	(163,282)	(277,895)
Restricted gifts and bequests	(4,907,277)	(7,432,590)
Transfer to SolutionHealth	985,542	706,222
Pension adjustment	30,045,939	25,338,867
Net realized and unrealized gains and losses on investments	1,741,134	(4,864,276)
Changes in operating assets and liabilities:		
Accounts receivable	16,880,769	4,463,535
Inventories	(858,896)	(579,122)
Other current and noncurrent assets	(6,523,049)	(6,392,783)
Accounts payable and accrued expenses	(732,240)	6,484,345
Accrued salaries, wages and related accounts	772,300	883,458
Accrued interest	(34,234)	(33,816)
Accrued pension	2,172,605	(3,527,790)
Self-insurance reserves and other liabilities	9,049,524	2,142,852
Amounts payable to third-party payors	54,623,311	4,267,454
Net cash provided by operating activities and net gains and losses	104,856,034	49,881,914
Investing activities:		
Acquisition of property, plant and equipment	(35,815,988)	(33,316,868)
Net change in assets whose use is limited	(8,653,671)	5,917,220
Net change in investments	(21,273,633)	(17,408,525)
Net cash used by investing activities	(65,743,292)	(44,808,173)
Financing activities:		
Proceeds from the issuance of long-term debt	20,850,000	–
Repayment of long-term debt	(7,582,707)	(5,581,963)
Restricted investment income and net gain on investments	163,282	277,895
Transfer to SolutionHealth	(985,542)	(706,222)
Restricted gifts and bequests	4,907,277	7,432,590
Net cash provided by financing activities	17,352,310	1,422,300
Increase in cash and cash equivalents	56,465,052	6,496,041
Cash and cash equivalents at beginning of year	83,196,511	76,700,470
Cash and cash equivalents at end of year	$139,661,563	$ 83,196,511

See accompanying notes.

1. Organization

Elliot Health System and Affiliates (the System) consists of Elliot Health System (EHS), a not-for-profit corporation which functions as a parent company to several not-for-profit and for-profit health care entities, and its wholly-owned subsidiaries. EHS is the sole member of the following not-for-profit entities: Elliot Hospital, a provider of health care services whose affiliates also include Elliot Physician Network (EPN), a network of primary care physicians, and Elliot Professional Services (EPS), a network of specialty care physicians (collectively referred to as the Hospital); Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates (the VNA), a provider of home health care and hospice services; and Mary and John Elliot Charitable Foundation, a charitable foundation which supports the System. EHS is also the sole stockholder of Elliot Health System Holdings, Inc. and Subsidiaries, a for-profit corporation which owns interests in health care related and real estate development partnerships and provides real estate and business management services. The sole corporate member of the System is SolutionHealth, Inc.

Elliot Hospital (excluding EPN and EPS) and EHS comprise the Obligated Group as defined under a Master Trust Indenture dated November 1, 2016 (as amended) under the 2013 and 2016 bond offerings. See note 5.

The System also participates in certain other strategic affiliation and joint operating agreements with outside entities.

2. Significant Accounting Policies

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

Principles of Consolidation

The financial statements include the accounts of EHS and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidation. Noncontrolling interests in less-than-wholly-owned subsidiaries of the System are presented as a component of total net assets to distinguish between the interests of the System and the interests of the noncontrolling owners. Revenues, expenses and nonoperating gains from these subsidiaries are included in the amounts presented on the statements of operations. Excess of revenues and nonoperating gains (losses) over expenses attributable to the System separately presents the amounts attributable to the controlling interest for each of the years presented.

Noncontrolling Interests

Noncontrolling interests represent the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The System's accompanying financial statements include all assets, liabilities, revenues and expenses at their amounts, which include the amounts attributable to the System and the noncontrolling interest. The System recognizes as a separate component of net assets and earnings the portion of income or loss attributable to noncontrolling interests based on the portion of the entity not owned by the System. In May 2019, the System purchased the remaining portion of equity in a consolidated affiliate that was not previously owned by the System. As of June 30, 2019, there was no longer noncontrolling interest in consolidated affiliates as the System controls 100% of all subsidiaries.

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

Charity Care

The System's patient acceptance policy is based on its mission and its community service responsibilities. Accordingly, the System accepts patients in immediate need of care, regardless of their ability to pay. It does not pursue collection of amounts determined to qualify as charity care based on established policies. These policies define charity care as those services for which no payment is due for all or a portion of the patient's bill. For financial reporting purposes, charity care is excluded from patient service revenue.

In estimating the cost of providing charity care, the System uses the ratio of average patient care cost to gross charges and then applies that ratio to the gross uncompensated charges associated with providing charity care.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments and secured repurchase agreements which have an original maturity of three months or less when purchased.

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

Accounts Receivable

For accounts receivable resulting from revenue recognized prior to July 1, 2019, an allowance for doubtful accounts was established to reduce the carrying value of such receivables to their estimated net realizable value. Generally, this allowance was estimated based on the aging of accounts receivable, historical collection experience and other factors. Under the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which the System adopted effective July 1, 2019 using the full retrospective method, when an unconditional right to payment exists, subject only to the passage of time, the right is treated as a receivable. Patient accounts receivable for which the unconditional right to payment exists 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 accounts receivable subsequent to the adoption of ASU No. 2014-09 on July 1, 2019, the estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to accounts receivable rather than allowance for doubtful accounts.

Patient Service Revenues

Prior to the adoption of ASU 2014-09 by the System on July 1, 2019, the System recognized patient service revenue as services were rendered and reported revenue at the estimated net realizable amounts from patients, third-party payors and others for services rendered. On the basis of historical experience, a portion of the System's uninsured patients were unable or unwilling to pay for services provided. Thus, the System recorded a provision for bad debts related to uninsured patients in the period the services were provided. The System adopted the new standard effective July 1, 2019, using the full retrospective method and updated its accounting policies related to revenues, as discussed below. The adoption of the new standard did not have an impact on the recognition of revenues for any periods prior to adoption.

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

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

The collection of outstanding receivables for Medicare, Medicaid, managed care payers, other third-party payors and patients is the System's primary source of cash and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts, including patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities that represent a majority of hospital revenues and accounts receivable (the "hindsight analysis") as a primary source of information in estimating the collectability of our accounts receivable. Management performs the hindsight analysis regularly, utilizing rolling twelve-months accounts receivable collection and write-off data. Management believes its regular updates to the estimated implicit price concession amounts provide reasonable estimates of revenues and valuations of accounts receivable. These routine, regular changes in estimates have not resulted in material adjustments to the valuations of accounts receivable or period-to-period comparisons of operations. At June 30, 2020 and 2019, estimated implicit price concessions of $19,805,457 and $21,906,660, respectively, had been recorded as reductions to accounts receivable balances to enable the System to record revenues and accounts receivable at the estimated amounts expected to collected.

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

Income Taxes

The System and all related entities, with the exception of Elliot Health System Holdings, Inc. and Subsidiaries, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the financial statements. Elliot Health System Holdings, Inc. is a holding company and its subsidiaries are for-profit companies subject to federal and state taxation. Income taxes are recorded based upon the asset and liability method.

At June 30, 2020 and 2019, the System has recorded $275,607 and $434,784 of federal and state income taxes payable in accounts payable and accrued expenses, respectively. The total provision for federal and state current tax expense is recorded in other nonoperating gains (losses) and is $1,260,307 and $1,070,550 for the years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, the System has a deferred tax asset of $3,252,838 and $3,017,169 with a corresponding valuation allowance of $1,071,576 and $904,901, respectively, which is included in other assets, mainly relating to depreciation differences between book and tax on property, plant and equipment.

Elliot Health System Holdings, Inc. believes that it has appropriate support for the income tax positions taken and to be taken on tax returns, and that their accruals for tax liabilities are adequate for all open tax years based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. Elliot Health System Holdings, Inc. has concluded there are no significant uncertain tax positions requiring disclosure and there is no material liability for unrecognized tax benefits. Elliot Health System Holdings, Inc.'s policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in income tax expense.

Performance Indicator

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenues and expenses. Peripheral transactions are reported as nonoperating gains or losses.

The consolidated statements of operations also include excess of revenues and nonoperating gains (losses) over expenses attributable to both controlling and noncontrolling interests. Changes in net assets without donor restrictions which are excluded from excess of revenues and nonoperating gains (losses) over expenses, consistent with industry practice, include pension adjustments, changes in noncontrolling interest in consolidated affiliates, transfers to or from affiliates and certain other reclassifications.

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

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified as net assets without donor restrictions and reported in the statement of operations as either net assets released from restrictions for operations (for noncapital-related items) or net assets released from restrictions for property, plant and equipment (for capital-related items). Some restricted net assets have been restricted by donors to be maintained by the System in perpetuity.

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

Investments and Investment Income

Investments, including funds held by trustee under revenue bond and note agreements, are measured at fair value in the balance sheets. Interest and dividend income on unlimited use investments and operating cash is reported within operating revenues. Investment income or loss on assets whose use is limited (including realized and unrealized gains and losses on investments, and interest and dividends) is reported as nonoperating gains (losses). The System has elected to reflect changes in the fair value of investments and assets whose use is limited, including both increases and decreases in value whether realized or unrealized in nonoperating gains or losses.

Beneficial Interest in Perpetual Trusts

The System has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the System are restricted by the donor for use in nursing education and women's and children's services. The System's interest in the fair value of the trust assets is included in assets whose use is limited. Changes in the market value of beneficial trust assets are reported as increases or decreases to net assets with donor restrictions.

Investment Policies

The System's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated funds.

Endowment funds are identified as perpetual in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Net assets with donor restrictions are restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

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

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Directors.

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4.5%, over a long-term time horizon (greater than 7 to 10 years).

The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

Spending Policy for Appropriation of Assets for Expenditure

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal intact. From time to time, certain net assets and donor restrictions may have fair values less than the amount required to be maintained by donors or by law (underwater donor restricted net assets). The System has interpreted UPMIFA to permit spending from underwater donor restricted net assets in accordance with prudent measures required under the law. At June 30, 2020 and 2019, there were no underwater donor restricted net assets.

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost, determined on a weighted-average method, or net realizable value.

Bond Issuance Costs/Original Issue Premium or Discount

The bond issuance costs incurred to obtain financing for construction and renovation programs and the original issue premium or discount are being amortized over the life of the bonds. The original issue premium or discount and bond issuance costs are presented as a component of the face amount of bonds payable.

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

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase, or fair market value at time of donation, less reductions in carrying value based upon impairment and less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs for expenditures which do not extend the lives of the related assets. The provision for depreciation is computed on the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives. Assets which have been purchased but not yet placed in service are included in construction and projects in progress and no depreciation expense is recorded.

Federal Grant Revenue and Expenditures

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

Advertising Expense

Advertising costs are expensed as incurred and totaled approximately $1,416,000 and $1,755,000 in 2020 and 2019, respectively.

Retirement Benefits

The System maintains a defined benefit pension plan that prior to December 31, 2019 covered qualifying employees, the Elliot Health System Pension Plan (the Plan). The benefits were based on years of service and the employee's compensation during the period of employment. See note 8 for changes to this pension plan.

The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as might be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Internal Revenue Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

The System provides a defined contribution program. Under this program, eligible employees may receive annual employer contributions to a System sponsored 403(b) plan or 401(k) plan up to 3% of annual base pay.

The System also provides matching contributions at the discretion of the System to a 403(b) plan or 401(k) plan equal to up to one-half of the employee's contribution to a maximum of 4% of their annual base pay. Total expense incurred by the System was $6,458,625 and $5,410,308 under these defined contribution plans for the years ended June 30, 2020 and 2019, respectively.

The System sponsors deferred compensation plans for certain qualifying employees. The amounts ultimately due to employees are to be paid upon the employees attaining certain criteria, including age. At June 30, 2020 and 2019, $22,248,589 and $19,813,013, respectively, is reflected in assets whose use is limited and $22,248,589 and $19,813,013, respectively, in other long-term liabilities related to such agreements.

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

Workers' Compensation

The System is self-insured for workers' compensation. The System has secured its obligation through a surety bond. The System maintains an excess insurance policy to limit its exposure on claims to $650,000 per occurrence. Reserves for claims made and potential unreported claims have been established to provide for incurred but unpaid claims. The amount of the reserve has been determined by an actuarial consultant.

Employee Health and Dental Insurance

The System maintains its own self-insurance plan for employee health and dental. Under the terms of the plan, employees meeting certain eligibility requirements and their dependents are eligible for participation and, as such, the System is responsible for the administration of the plan and any resultant liability incurred. The System maintains individual stop-loss insurance coverage.

Employee Fringe Benefits

Most of the System's entities have an earned time plan. Under this plan, each qualifying employee earns paid leave for each pay period worked. These hours of paid leave may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee and are paid to the employee upon termination subject to certain limits. The System accrues a liability for such paid leave as it is earned, which totaled approximately $14,348,000 and $15,278,000 at June 30, 2020 and 2019, respectively, and is recorded in accrued salaries, wages and related accounts on the accompanying consolidated balance sheets.

Malpractice Loss Contingencies

The System is insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System maintains excess professional and general liability insurance policies to cover claims in excess of liability retention levels. At June 30, 2020, there were no known malpractice claims outstanding for the System which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required specific loss accruals. The System has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves have been determined by actuarial consultants. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

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

In 2001, the System created a self-insurance trust to fund the related actuarially-determined liability for incurred but unpaid claims. The trust fund and related liability are included in the accompanying consolidated balance sheets. In accordance with Accounting Standards Update (ASU) No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), at June 30, 2020 and 2019, the System recorded a liability of $21,019,706 and $17,244,125, respectively, related to estimated professional liability losses relating to reported cases as well as potentially incurred but not reported claims. At June 30, 2020 and 2019, the System also recorded a receivable of $2,515,159 and $4,830,031, respectively, related to estimated recoveries under insurance coverage provided by the self-insurance trust. It is the intention of management to fund the self-insurance trust as deemed necessary. The self-insurance trust has assets totaling $6,863,752 and $7,791,592 at June 30, 2020 and 2019, respectively. These amounts are included in self-insurance reserves and other liabilities, and other assets, respectively, on the consolidated balance sheets.

Litigation

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

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Financial instruments consist of cash and cash equivalents, investments, accounts receivable, assets whose use is limited, accounts payable, amounts payable to third-party payors and long-term debt.

The fair value of all financial instruments other than long-term debt approximates their relative book value as these financial instruments have short-term maturities or are recorded at fair value as disclosed in note 13. The fair value of the System's long-term debt is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements, and is disclosed in note 5 to the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in the areas of accounts receivable, insurance costs, alternative investment funds, employee benefit plans, amounts payable to third-party payors and contingencies. It is reasonably possible that actual results could differ from those estimates. Adjustments made with respect to the use of estimates often relate to improved information not previously available.

Reclassifications

Certain 2019 amounts have been reclassified to permit comparison with the 2020 financial statements presentation format.

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

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through September 11, 2020 which is the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. Patient volumes and the related revenues for most services were significantly impacted in the last two weeks of March 2020 and continued to be impacted in the fourth quarter of fiscal 2020 as various policies were implemented by federal, state and local governments in response to the COVID-19 pandemic that have caused many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective surgical procedures by health care facilities.

While some of these restrictions have been eased across the U.S. and the State of New Hampshire has lifted limitations on non-emergent procedures, some restrictions remain in place. While consolidated patient volumes and revenues experienced gradual improvement beginning in the latter part of April and continuing through the end of the fourth fiscal quarter, uncertainty still exists as the future is unpredictable. The System's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The System has taken precautionary steps to enhance its operational and financial flexibility, and react to the risks the COVID-19 pandemic presents in its operations, including the following:

- Implemented certain cost reduction initiatives;
- Reduced certain planned projects and capital expenditures;
- During the fourth quarter of fiscal 2020, the System received approximately $49.4 million of accelerated Medicare payments (note 3) and approximately $20.1 million in general and targeted Provider Relief Fund distributions, both as provided for under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act.

The System believes the extent of the COVID-19 pandemic's adverse impact on operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond control and ability to forecast. Such factors include, but are not limited to, the scope and duration of stay-at-home practices and business closures and restrictions, government-imposed or recommended suspensions of elective procedures, continued declines in patient volumes for an indeterminable length of time, increases in the number of uninsured and underinsured patients as a result of higher sustained rates of unemployment, incremental expenses required for supplies and personal protective equipment, and changes in professional and general liability exposure. Because of these and other uncertainties, the System cannot estimate the length or severity of the impact of the pandemic on its operations. Decreases in cash flows and results of operations may have an impact on the inputs and assumptions used in significant accounting estimates, including estimated implicit price concessions related to uninsured patient accounts, and professional and general liability reserves.

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

During the fourth quarter of fiscal 2020, the System was awarded $11.5 million from the $50 billion general distribution fund and $8.6 million of targeted distributions from the CARES Act Provider Relief Fund. Funds related to targeted distributions were received in July 2020 and are included in other current assets at June 30, 2020 on the accompanying consolidated balance sheets. These distributions from the Provider Relief Fund are not subject to repayment, provided the System is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. Such payments are accounted for as government grants, and are recognized on a systematic and rational basis as other income once there is reasonable assurance that the applicable terms and conditions required to retain the funds will be met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the impact of the pandemic on operating results through June 30, 2020, the System recognized $20.1 million related to these distribution funds, and these payments are recorded within other revenue in the consolidated statements of operations for the year ended June 30, 2020.

The CARES Act also provides for a deferral of payments of the employer portion of payroll tax incurred during the pandemic, allowing half of such payroll taxes be deferred until December 2021 and the remaining half until December 2022. At June 30, 2020, the System had deferred $3.1 million of payroll taxes recorded under the caption "self-insurance reserves and other liabilities" in its consolidated balance sheet.

Subsequent to year end, the System received $7 million from the Governor's Office of Emergency Relief and Recovery (GOFERR) in July 2020. This payment is accounted for as a government grant and is not subject to repayment, provided the System is able to comply with the conditions of the funding, including demonstrating that the distribution received has been used for healthcare-related expenses or lost revenue attributable to COVID-19. The System anticipates meeting the terms and conditions of this grant in the fiscal year ended June 30, 2021. No amount related to this grant is reflected in these consolidated financial statements.

The System will continue to monitor compliance with the terms and conditions of the Provider Relief Fund, GOFERR grant, and other potential assistance funds and available grants, and the impact of the pandemic on revenues and expenses. If the System is unable to attest to or comply with current or future terms and conditions the System's ability to retain some or all of the distributions received may be impacted.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU supersedes the revenue recognition requirements in Topic 605 (Revenue Recognition) and most industry-specific guidance throughout the Industry Topics of Codification. The core principal of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The System adopted the new standard effective July 1, 2019, 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 statements of operations, where the "provision for bad debt" is no longer presented as a separate line item and "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.

2. Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 has been applied retrospectively to all periods presented and did not have a material impact on the financial statements.

Prospective Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires that lease arrangements longer than twelve months result in an entity recognizing an asset and liability. The pronouncement is effective for the System beginning July 1, 2022, with early adoption permitted. The guidance may be adopted retrospectively. Management is currently evaluating the impact this guidance will have on the System's financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this ASU modify the disclosure requirements for fair value measurements for Level 3 assets and liabilities, and eliminate the requirement to disclose transfers between Levels 1 and 2 of the fair value hierarchy, among other modifications. ASU 2018-13 is effective for the System on July 1, 2020, with early adoption permitted. The System is currently evaluating the impact that ASU 2018-13 will have on the financial statements.

3. Patient Service Revenues

An estimated breakdown of patient service revenue recognized from major payor sources, is as follows for the years ended June 30:

	2020	2019
Private payors (includes coinsurance and deductibles)	$327,363,066	$346,132,399
Medicaid	49,241,724	40,439,262
Medicare	144,276,415	157,282,160
Self-pay	3,659,993	10,200,612
	$524,541,198	$554,054,433

3. **Patient Service Revenues (Continued)**

Various entities of the System maintain contracts with the Social Security Administration (Medicare) and the State of New Hampshire Department of Health and Human Services (Medicaid). The entities are paid a prospectively determined fixed price for Medicare and Medicaid inpatient acute care services depending on the type of illness or the patient's diagnostic related group classification. Reimbursement for Medicare for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Home health care and hospice services are reimbursed prospectively on a per episode or per diem basis. Physician services are reimbursed on established and/or negotiated fee schedules. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed rate. The entities receive payment for other Medicare and Medicaid inpatient and outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports. The percentage of patient service revenue earned from the Medicare and Medicaid programs was 28% and 6%, respectively, in 2020 and 27% and 4%, respectively, in 2019.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The System believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenues in the year that such amounts become known. The differences between amounts previously estimated and amounts subsequently determined to be recoverable from third-party payors (decreased) increased patient service revenues by approximately $(1,700,000) and $1,200,000 in 2020 and 2019, respectively.

During the fourth quarter of fiscal 2020, the System requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. After 120 days past receipt of the advance payments (beginning in August 2020), claims for services provided to Medicare beneficiaries will be applied against the advance payment balance. Any unapplied advance payment amounts must be paid in full within one year from receipt of the advance payments for acute care hospitals and within 210 days for other health care providers. During the fourth quarter of fiscal 2020, the System received approximately $49.4 million from these accelerated Medicare payment requests, and these amounts are recorded under the caption "amounts payable to third-party payors" in the consolidated balance sheet.

The various System entities also maintain contracts with Anthem Blue Cross, Cigna, Harvard Pilgrim Health Care, certain commercial carriers, managed care plans and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee schedules.

4. Property, Plant and Equipment

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

	2020	2019
Operating properties:		
Land and land improvements	$ 10,470,365	$ 10,470,365
Buildings and fixed equipment	226,174,563	224,291,851
Major movable equipment	220,171,904	208,241,282
Construction and projects in progress	29,663,682	8,840,023
	486,480,514	451,843,521
Less accumulated depreciation	(304,736,352)	(285,381,592)
	181,744,162	166,461,929
Rental properties:		
Land and land improvements	9,961,263	9,961,263
Buildings and fixed equipment	53,277,732	52,983,813
Major movable equipment	139,656	134,788
Construction and projects in progress	20,003	50,251
	63,398,654	63,130,115
Less accumulated depreciation	(28,478,258)	(26,881,361)
	34,920,396	36,248,754
Net property, plant and equipment	$ 216,664,558	$ 202,710,683

5. Debt

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

	2020	2019
New Hampshire Health and Education Facilities Authority:		
Elliot Hospital Obligated Group Series 2016 Bonds with interest ranging from 2.00% to 5.00% per year. Principal payments commenced in October 2017 and are payable in annual installments ranging from $4,815,000 to $10,915,000 through October 2038	$138,870,000	$141,745,000
Plus unamortized original issue premium/discount	15,936,280	16,367,101
	154,806,280	158,112,101
Equipment financing with a fixed interest rate of 1.92% with required monthly principal payments ranging from $157,593 to $187,594 through August 2029	18,937,845	–
Elliot Hospital Obligated Group Series 2013 Bonds with a fixed interest rate of 2.05% per year and a total monthly payment of principal and interest of $217,925 through October 1, 2020	869,551	3,437,558

5. **Debt (Continued)**

	2020	2019
Equipment lease financing with required monthly principal payments of $5,833 through December 2025	$ 350,000	$ –
Notes payable – see below	1,150,000	1,250,000
	176,113,676	162,799,659
Less current portion	(8,504,358)	(6,020,428)
Less net unamortized bond issuance costs	(478,954)	(525,699)
	$167,130,364	$156,253,532

On November 15, 2016, the Hospital refunded its existing 2009 Series Bonds outstanding of $126,470,000 through the issuance of $147,020,000 in fixed rate New Hampshire Health and Education Facilities Authority Revenue Bonds with interest rates ranging from 2.00% to 5.00%. As of June 30, 2020 and 2019, the balance of defeased 2009 Series Bonds payable not included in the accompanying consolidated balance sheets was $123,270,000 and $124,390,000, respectively.

In 2019, the Hospital entered into a ten year $20,500,000 equipment financing agreement with Bank of America to acquire various property and equipment. Certain proceeds of the financing are held by a trustee, under the terms of an escrow agreement which allow for withdrawals only for approved purchases.

The Obligated Group's agreement with the New Hampshire Health and Education Facilities Authority for the 2016 and 2013 Bonds grants the Authority a security interest in the Hospital's gross receipts and a mortgage on the Hospital's existing and future facilities and equipment. In addition, under the terms of the master indenture, the Obligated Group is required to meet certain covenants requirements. For the years ended June 30, 2020 and 2019, the Hospital was in compliance with all required financial covenants.

The System has a note payable in the amount of $1,150,000 and $1,250,000 at June 30, 2020 and 2019, respectively, the proceeds of which were used for certain property improvements. Interest is payable annually at the fixed rate of 4.61% for the first 10 years, after which it will become variable. Principal and interest are payable annually through the maturity date of December 29, 2031.

Interest paid totaled $6,894,111 and $7,215,845 for the years ended June 30, 2020 and 2019, respectively. There was no interest capitalized for the years ended June 30, 2020 and 2019.

Aggregate annual principal payments required under the bonds and note agreements for each of the five years ending June 30 are approximately as follows: 2021 - $8,504,000; 2022 - $8,832,000; 2023 - $7,808,000; 2024 - $8,178,000; and 2025 - $8,549,000.

The fair value, based on current market rates of the System's long-term debt, was approximately $174,932,000 and $162,654,000 as of June 30, 2020 and 2019, respectively.

The System has entered into a $25,000,000 unsecured line of credit agreement with a bank which is due on demand. The line of credit agreement bears interest at LIBOR plus 1.15% (1.33% at June 30, 2020). At June 30, 2020 and 2019, there were no borrowings outstanding under this agreement. The agreement grants the bank a security interest in the System's securities, cash and deposit account balances to collateralize any future outstanding balances.

6. Investments and Assets Whose Use is Limited

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

	2020	2019
Cash and equivalents	$ 6,201,595	$ 7,174,502
Marketable equity securities	141,956,914	91,340,135
Fixed income securities	70,256,512	91,333,345
U.S. Government obligations	9,644,226	10,239,373
Employee benefit plans and other	22,248,589	19,813,013
Beneficial interest in perpetual trusts	7,564,017	7,438,506
Alternative investments	12,541,648	14,888,457
	$270,413,501	$242,227,331

Board designated and donor restricted investments of various System entities are pooled into the Elliot Common Trust Fund LLC, along with self-insured trust funds, and are comprised of the following at June 30:

	2020	2019
Board designated:		
Capital, working capital and community service	$110,461,314	$109,818,714
Self-insurance	6,863,752	7,791,592
	117,325,066	117,610,306
Donor restricted and other	25,920,347	21,649,619
	$143,245,413	$139,259,925

Funds held by trustee under revenue bond and note agreements are comprised of the following at June 30:

	2020	2019
Debt service funds	$ 1,631	$ 3,250
Equipment lease financing funds	171,222	–
	$172,853	$ 3,250

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

Investment income, and realized and unrealized gains (losses) on investments are summarized as follows for the years ended June 30:

	2020	2019
Unrestricted investment income and net gains and losses on investments are summarized as follows:		
Investment income	$ 5,825,582	$ 5,552,942
Nonoperating investment income	636,043	514,449
Realized (losses) gains on sale of investments, net	(1,006,265)	7,825,474
Net unrealized losses on investments	(496,531)	(2,935,670)
	4,958,829	10,957,195
Restricted investment income and net gains and losses on investments are summarized as follows:		
Investment income and net income on investments	163,282	277,895
Net unrealized losses on investments	(238,338)	(25,528)
	(75,056)	252,367
Total restricted and unrestricted	$ 4,883,773	$11,209,562

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30:

	2020	2019
Purpose restriction:		
Health care services	$16,922,811	$12,332,719
Equipment and capital improvements	674,698	564,925
Education and scholarships	40,915	40,823
	17,638,424	12,938,467
Perpetual in nature:		
Investments, gains and income from which is donor restricted	9,634,848	9,473,918
Investments, gains and income from which is released to net assets without donor restrictions	4,650,840	4,650,840
	14,285,688	14,124,758
Total net assets with donor restrictions	$31,924,112	$27,063,225

Net assets with donor restrictions are managed in accordance with donor intent and are invested in various portfolios.

8. Retirement Benefits

A reconciliation of the changes in the Elliot Health System Pension Plan's projected benefit obligation and the fair value of plan assets and a statement of funded status of the plan are as follows as of and for the years ended June 30:

	2020	2019
Changes in benefit obligation:		
Projected benefit obligations, beginning of year	$(392,712,498)	$(345,960,316)
Service cost	(5,700,520)	(9,061,649)
Interest cost	(13,437,944)	(14,170,462)
Benefits paid	9,609,711	8,220,337
Actuarial loss	(52,072,772)	(32,757,908)
Administrative expenses paid	1,807,835	1,017,500
Curtailment gain	18,726,940	–
Projected benefit obligations, end of year	$(433,779,248)	$(392,712,498)
Changes in plan assets:		
Fair value of plan assets, beginning of year	$ 295,859,177	$ 270,918,072
Actual return on plan assets	15,265,751	24,178,941
Contributions by plan sponsor	5,000,000	10,000,000
Benefits paid	(9,609,711)	(8,220,337)
Actual administrative expense paid	(1,807,835)	(1,017,499)
Fair value of plan assets, end of year	$ 304,707,382	$ 295,859,177
Funded status:		
Fair value of plan assets	$ 304,707,382	$ 295,859,177
Projected benefit obligations	(433,779,248)	(392,712,498)
Funded status of the plan	$(129,071,866)	$ (96,853,321)

The accumulated benefit obligation at June 30, 2020 and 2019 was $433,779,248 and $374,353,677, respectively.

Amounts recognized in the statements of financial position consist of the following at June 30:

	2020	2019
Net liability recognized	$(129,071,866)	$ (96,853,321)

8. Retirement Benefits (Continued)

The weighted-average assumptions used to develop the projected benefit obligation are as follows as of June 30:

	2020	2019
Discount rate January 1, 2020 through June 30, 2020	2.74%	N/A
Discount rate July 1, 2019 through December 31, 2019	3.29	N/A
Discount rate July 1, 2018 through June 30, 2019	N/A	3.55%
Rate of compensation	N/A	3.75

In 2020, the System began using the MP-2019 mortality improvement scale which also had an impact on the projected benefit obligation.

Amounts recognized in net assets without donor restrictions consist of the following at June 30:

	2020	2019
Net actuarial loss	$117,767,404	$87,721,465
Total amount recognized by the System	$117,767,404	$87,721,465

Pension Plan Assets

The fair values of the System's pension plan assets and target allocations by asset category are as follows as of June 30, 2020 and 2019 (see note 13 for level definitions):

	Target Allocation	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2020					
Short-term investments:	5%				
Cash and sweeps		$ 19,044,611	$ 19,044,611	$ –	$ –
Equity securities:	40%				
Mutual funds		164,689,588	164,689,588	–	–
Fixed income securities:	55%				
Corporate and foreign bonds		120,428,294	–	120,428,294	–
		304,162,493	$183,734,199	$120,428,294	$ –
Unallocated insurance contract		544,889			
		$304,707,382			

8. **Retirement Benefits (Continued)**

	Target Allocation	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2019					
Short-term investments:	5%				
Cash and sweeps		$ 37,361,929	$ 37,361,929	$ –	$ –
Equity securities:	40%				
Mutual funds		130,671,600	130,671,600	–	–
Other equities		13,498,235	13,498,235	–	–
Fixed income securities:	55%				
Corporate and foreign bonds		113,373,633	–	113,373,633	–
		294,905,397	$181,531,764	$113,373,633	$ –
Unallocated insurance contract		953,780			
		$295,859,177			

Management of the assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation, and providing liquidity as needed for plan benefits. The objective is to provide a rate of return that meets inflation, plus 5.5%, over a long-term horizon.

In addition to the total return goal, the portfolio is constructed to hedge a portion of the interest rate risk of the Plan's liability. The portion of the interest rate risk hedged is the percent of assets allocated to fixed income investments multiplied by the Plan's funded status. The fixed income asset class is structured to reduce the volatility of the funded status by matching the duration of the Plan's liability which is currently approximately 15 years. The current strategic asset allocation target for the fixed income portfolio is 55% of total plan assets, which is designed to hedge approximately 35% of the plan liability.

These funds are managed as permanent funds with disciplined longer term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

8. Retirement Benefits (Continued)

Net periodic pension cost includes the following components at June 30:

	2020	2019
Service cost	$ 5,700,520	$ 9,061,649
Interest cost	13,437,944	14,170,462
Expected return on plan assets	(18,508,579)	(19,033,704)
Amortization:		
Actuarial loss	6,542,720	2,273,804
Net periodic pension cost	$ 7,172,605	$ 6,472,211

The weighted-average assumptions used to develop net periodic pension cost were as follows for the years ended June 30:

	2020	2019
Discount rate January 1, 2020 through June 30, 2020	3.29%	N/A
Discount rate July 1, 2019 through December 31, 2019	3.55	N/A
Discount rate July 1, 2018 through June 30, 2019	N/A	4.19%
Rate of compensation	N/A	3.75

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

The loss amount expected to be recognized in net periodic benefit cost in 2021 totals $10,323,552.

Contributions

The System does not expect to contribute to its pension plan in 2021.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the System:

Fiscal Year	Pension Benefits
2021	$ 11,807,600
2022	13,213,300
2023	14,515,700
2024	15,850,200
2025	17,008,800
Years 2026 – 2030	98,086,900

8. Retirement Benefits (Continued)

On May 16, 2019, the Board of Directors of the System resolved to freeze the defined benefit pension plan effective December 31, 2019. Any employee who was a participant of the plan on that date will continue as a participant. No other person will become a participant after that date. Benefits to participants stopped accruing on December 31, 2019. This amendment impacted the present value of accumulated plan benefits by eliminating the increase due to annual benefit accruals. In the fiscal year ended June 30, 2020, the System recognized a gain of approximately $18.7 million related to this change which is included in the pension adjustment in the consolidated statements of operations and the consolidated statements of changes in net assets.

9. Community Benefits (Unaudited)

The mission of the System is to provide quality, accessible healthcare services to patients regardless of their ability to pay. The System subsidizes certain health care services, supports community-based healthcare providers, and provides outreach and educational programs.

Charity Care

The System provides services to patients who are uninsured or underinsured under its charity care policy at no charge or at amounts less than its established charges. The estimated costs of providing charity care services are determined using the ratio of average patient care costs to gross charges, and then applying that ratio to the gross charges associated with providing such services.

Community Programs and Subsidized Services

The System provides community health programs, health professional education through partnerships with local post-secondary organizations, health screenings, health publications and other health information services. Many of these services are provided at a financial loss and are subsidized by the System in order to meet important community needs that otherwise would not be available. In addition, supporting contributions and in-kind services are made to a number of community organizations for the promotion of health-related activities.

Government-Sponsored Programs

The System provided services to Medicare and Medicaid recipients. Reimbursement for such services is at rates substantially below cost.

The estimated cost of providing community benefits for the years ended June 30, 2020 and 2019 are summarized below:

	2020	2019
Charity care	$ 9,847,148	$ 9,881,000
Community programs and subsidized services	2,129,916	2,567,372
Government-sponsored programs	120,457,368	124,801,352
	$132,434,432	$137,249,724

9. Community Benefits (Unaudited)

In addition, the System provides a significant amount of uncompensated care to patients that are reported as implicit price concessions. For the years ended June 30, 2020 and 2019, the System reported implicit price concession revenue deductions of $21,938,731 and $28,096,966, respectively.

10. Functional Expenses

The System provides general health care services to residents within its geographic location including inpatient, outpatient, physician and emergency care. Expenses related to providing these services are as follows for the years ended June 30, 2020 and 2019:

	Health Services	General and Administrative	Total
2020			
Salaries, wages and fringe benefits	$266,915,749	$ 93,447,462	$360,363,211
Supplies and other expenses	109,562,313	49,581,632	159,143,945
Interest	3,444,137	3,415,740	6,859,877
New Hampshire Medicaid Enhancement Tax	23,697,723	–	23,697,723
Depreciation and amortization	8,179,236	13,694,534	21,873,770
	$411,799,158	$160,139,368	$571,938,526
2019			
Salaries, wages and fringe benefits	$267,555,783	$ 87,175,058	$354,730,841
Supplies and other expenses	106,438,045	57,083,122	163,521,167
Interest	3,487,832	3,459,074	6,946,906
New Hampshire Medicaid Enhancement Tax	22,564,148	–	22,564,148
Depreciation and amortization	7,760,330	13,280,601	21,040,931
	$407,806,138	$160,997,855	$568,803,993

The financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as, depreciation and amortization, and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Specifically identifiable costs are assigned to the function which they are identified to.

11. Concentration of Credit Risk

The System grants credit without requiring collateral from its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows for the years ended June 30:

	2020	2019
Medicare	33%	31%
Medicaid	13	11
Managed care and other	26	26
Patients (self pay)	15	18
Anthem Blue Cross	13	14
	100%	100%

12. Leases

The System leases various office facilities and equipment from unrelated parties under noncancelable operating leases. Total rental expense, including month-to-month rentals, for the years ended June 30, 2020 and 2019 was $12,135,435 and $11,980,747, respectively.

Future minimum lease payments required under operating leases as of June 30, 2020 are as follows:

Year Ending June 30:	
2021	$ 5,694,475
2022	5,240,797
2023	4,971,903
2024	4,639,439
2025	4,632,832
Thereafter	23,751,884
	$48,931,330

13. Fair Value Measurements

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

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

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

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

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

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. The following are descriptions of the valuation methodologies used:

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the System at year end, which generally results in classification as Level 1 within the fair value hierarchy.

Fixed Income Securities

The fair value for debt instruments is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds U.S. governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are primarily classified as Level 2 within the fair value hierarchy.

Alternative Investments

The System invests in certain alternative investments that include limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. These investments are classified at net asset value.

13. Fair Value Measurements (Continued)

System management is responsible for the fair value measurements of alternative investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

Beneficial Interests in Perpetual Trusts

The System is the beneficiary of perpetual trusts held by a third party. Under the terms of the trusts, the System has the irrevocable right to receive the income earned on the assets of the trusts in perpetuity, but never receives the assets held in the trusts. The System has transparency into the holdings of the trusts. These investments are generally classified as Level 1 within the fair value hierarchy.

Employee Benefit Plan and Other

Underlying plan investments within these funds are stated at quoted market prices. These investments are generally classified as Level 1 within the fair value hierarchy.

Fair Value on a Recurring Basis

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

	Total	Level 1	Level 2	Level 3
2020				
Investments and assets whose use is limited:				
Cash and equivalents	$ 6,201,595	$ 6,201,595	$ –	$ –
Marketable equity securities:				
Common stocks	141,956,914	141,956,914	–	–
Fixed income securities:				
Municipal bonds	735,013	–	735,013	–
Corporate bonds	68,808,386	–	68,808,386	–
Foreign bonds	713,113	–	713,113	–
U.S. Government obligations	9,644,226	–	9,644,226	–
Beneficial interests in perpetual trusts	7,564,017	7,564,017	–	–
Employee benefit plans and other	22,248,589	22,248,589	–	–
Investments and assets whose use is limited	257,871,853	$177,971,115	$ 79,900,738	$ –
Alternative investments	12,541,648			
Total assets	$270,413,501			

13. Fair Value Measurements (Continued)

	Total	Level 1	Level 2	Level 3
2019				
Investments and assets whose use is limited:				
Cash and equivalents	$ 7,174,502	$ 7,174,502	$ –	$ –
Marketable equity securities:				
Common stocks	91,340,135	91,340,135	–	–
Fixed income securities:				
Municipal bonds	944,531	–	944,531	–
Corporate bonds	87,485,793	–	87,485,793	–
Foreign bonds	2,903,021	–	2,903,021	–
U.S. Government obligations	10,239,373	–	10,239,373	–
Beneficial interests in perpetual trusts	7,438,506	7,438,506	–	–
Employee benefit plans and other	19,813,013	19,813,013	–	–
Investments and assets whose use is limited	227,338,874	$125,766,156	$101,572,718	$ –
Alternative investments	14,888,457			
Total assets	$242,227,331			

The alternative investments consist of interests in nine and eleven funds at June 30, 2020 and 2019, respectively, that are not actively traded.

Net Assets Value Per Share

In accordance with ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the table below sets forth additional disclosures for alternative investments valued based on net asset value to further demonstrate the nature and risk of the investments by category at June 30:

Investment	Net Asset Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
2020				
Multi-strategy hedge fund	$1,024,024	$ –	Illiquid	N/A
Global equity fund	146,875	196,772	Illiquid	N/A
Commingled REIT fund	253,507	1,971,361	Illiquid	N/A
Multi-strategy hedge fund	1,285,500	–	Annually	N/A
Multi-strategy hedge fund	2,889,018	–	Quarterly	95 days
Multi-strategy hedge fund	1,001,225	35,125	Illiquid	N/A
Equity fund	143,704	1,996,813	Illiquid	N/A
Multi-strategy hedge fund	1,807,228	–	Illiquid	N/A
Multi-strategy hedge fund	2,084,150	–	Quarterly	100 days
Multi-strategy hedge fund	922,188	–	Monthly	3 days
Multi-strategy hedge fund	984,229	–	Monthly	3 days

13. Fair Value Measurements (Continued)

Investment	Net Asset Value	Unfunded Commit-ment	Redemption Frequency	Redemption Notice Period
2019				
Equity fund	$2,833,975	$ –	Monthly	90 days
Multi-strategy hedge fund	851,977	–	Illiquid	N/A
Global equity fund	125,708	196,772	Illiquid	N/A
Commingled REIT fund	361,648	1,971,361	Illiquid	N/A
Multi-strategy hedge fund	1,476,000	–	Annually	N/A
Multi-strategy hedge fund	3,301,280	–	Quarterly	65 days
Multi-strategy hedge fund	2,576,862	–	Quarterly	95 days
Multi-strategy hedge fund	681,144	311,575	Illiquid	N/A
Equity fund	45,910	939,370	Illiquid	N/A
Multi-strategy hedge fund	611,083	1,400,000	Illiquid	N/A
Multi-strategy hedge fund	2,022,870	–	Quarterly	100 days

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

Investment Strategies

Fixed Income Securities (Debt Instruments)

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

Marketable Equity Securities

The primary purpose of equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

Alternative Investments

The primary purpose of alternative investments is to provide further portfolio diversification and to reduce overall portfolio volatility by investing in strategies that are less correlated with traditional equity and fixed income investments. Alternative investments may provide access to strategies otherwise not accessible through traditional equities and fixed income such as derivative instruments, real estate, distressed debt and private equity and debt.

14. Medicaid Enhancement Tax and Disproportionate Share

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.4% of the Hospital's patient service revenues in State fiscal years 2020 and 2019, with certain exclusions. The amount of the tax provided for by the Hospital for the years ended June 30, 2020 and 2019 was $23,697,723 and $22,564,148, respectively.

The State provides disproportionate share payments (DSH) to hospitals based on a set percentage of uncompensated care provided. The Hospital received $17,913,947 and $16,214,638 during the years ended June 30, 2020 and 2019, respectively. Reserves on these receipts were established for $1,990,439 and $1,801,626 at June 30, 2020 and 2019, respectively, as these programs are subject to the State DSH annual audit and potential redistributions.

15. Pledges Receivable

Pledges receivable represent promises to give and are predominantly related to a capital campaign for a regional cancer center. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows has been measured utilizing risk-free rates of return adjusted for market and credit risk established at the time a contribution is received. Amounts are included within other assets on the consolidated balance sheets as of June 30, 2020 and 2019.

Pledges are expected to be collected as follows at June 30, 2020:

One year or less	$ 754,945
Between one year and two years	687,445
Between two years and three years	632,445
Between three years and four years	613,197
Between four years and five years	28,570
Thereafter	16,784
Pledges receivable	2,733,386
Present value discount	(306,818)
Allowance for uncollectible pledges	(106,394)
Pledges receivable, net	$2,320,174

16. Financial Assets and Liquidity Resources

As of June 30, 2020, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

Cash and cash equivalents	$139,661,563
Accounts receivable	30,174,519
	$169,836,082

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated assets and investments without donor restrictions that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of June 30, 2020, the balances in board-designated assets and investments were $117,325,066 and $97,182,629, respectively.

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INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Directors
Elliot Health System

We have audited the consolidated financial statements of Elliot Health System and Affiliates (the System) as of and for the years ended June 30, 2020 and 2019, and have issued our report thereon which contains an unmodified opinion on those consolidated statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes LLC

Manchester, New Hampshire
September 11, 2020

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATING BALANCE SHEET

June 30, 2020

ASSETS

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Current assets:								
Cash and cash equivalents	$ 110,846,414	$ 8,393	$ 113,400,509	$ 8,244,501	$ 16,756,804	$ 1,251,356	$ –	$139,661,563
Accounts receivable	25,176,996	–	27,560,110	1,528,899	1,085,510	–	–	30,174,519
Inventories	4,851,014	–	4,851,014	–	388,629	–	–	5,239,643
Amounts due from affiliates	2,555,194	–	115,187	–	589,199	14,264	(718,650)	–
Other current assets	24,206,065	–	24,438,317	73,390	2,440,090	644,824	–	27,596,621
Total current assets	167,635,683	8,393	170,365,137	9,846,790	21,260,232	1,910,444	(718,650)	202,672,346
Property, plant and equipment, net	187,079,069	–	187,349,746	337,921	28,976,891	–	–	216,664,558
Investments	97,182,629	–	97,182,629	–	–	–	–	97,182,629
Other assets:								
Investment in subsidiary	49,896,671	49,896,671	–	–	–	–	(49,896,671)	–
Other	5,962,222	–	5,962,222	–	4,014,701	1,710,525	(337,792)	11,349,656
	55,858,893	49,896,671	5,962,222	–	4,014,701	1,710,525	(50,234,463)	11,349,656
Assets whose use is limited:								
Board designated and donor restricted investments	110,421,389	–	110,421,389	10,101,283	1,163,319	21,559,422	–	143,245,413
Held by trustee under revenue bond and note agreements	172,853	–	172,853	–	–	–	–	172,853
Employee benefit plans and other	22,248,589	–	22,248,589	–	–	–	–	22,248,589
Beneficial interest in perpetual trusts	7,564,017	–	7,564,017	–	–	–	–	7,564,017
	140,406,848	–	140,406,848	10,101,283	1,163,319	21,559,422	–	173,230,872
Total assets	$ 648,163,122	$ 49,905,064	$ 601,266,582	$ 20,285,994	$ 55,415,143	$ 25,180,391	$ (50,953,113)	$ 701,100,061

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

LIABILITIES AND NET ASSETS

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Current liabilities:								
Accounts payable and accrued expenses	$ 30,714,529	$ –	$ 31,077,698	$ 247,003	$ 3,267,988	$ 69,286	$ –	$ 34,661,975
Accrued salaries, wages and related accounts	20,955,444	–	33,152,222	1,213,962	358,387	–	–	34,724,571
Accrued interest	1,701,526	–	1,701,526	–	93,722	–	(87,792)	1,707,456
Amounts payable to third-party payors	68,862,340	–	71,987,643	3,148,000	–	–	–	75,135,643
Amounts due to affiliates	–	–	–	310,146	408,504	–	(718,650)	–
Current portion of long-term debt	8,404,358	–	8,404,358	–	350,000	–	(250,000)	8,504,358
Total current liabilities	130,638,197	–	146,323,447	4,919,111	4,478,601	69,286	(1,056,442)	154,734,003
Accrued pension	113,220,005	–	125,139,183	3,932,683	–	–	–	129,071,866
Self-insurance reserves and other liabilities	48,044,323	–	48,874,481	125,322	37,827	–	–	49,037,630
Long-term debt, less current portion	166,128,320	–	166,128,320	–	1,002,044	–	–	167,130,364
Total liabilities	458,030,845	–	486,465,431	8,977,116	5,518,472	69,286	(1,056,442)	499,973,863
Net assets:								
Without donor restrictions/owners' equity	174,919,520	49,905,064	99,588,394	10,810,977	49,896,671	8,897,651	(49,896,671)	169,202,086
With donor restrictions	15,212,757	–	15,212,757	497,901	–	16,213,454	–	31,924,112
Total net assets	190,132,277	49,905,064	114,801,151	11,308,878	49,896,671	25,111,105	(49,896,671)	201,126,198
Total liabilities and net assets	$ 648,163,122	$ 49,905,064	$ 601,266,582	$ 20,285,994	$ 55,415,143	$ 25,180,391	$ (50,953,113)	$ 701,100,061

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2020

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Operating revenues:								
Patient service revenues	$ 423,681,870	$ –	$ 492,921,258	$16,587,425	$15,598,927	$ –	$ (566,412)	$ 524,541,198
Investment income	5,304,703	–	5,304,703	226,457	113,156	181,266	–	5,825,582
Other revenues	52,115,368	–	51,171,013	1,421,360	10,031,386	1,234,843	(11,492,095)	52,366,507
Total operating revenues	481,101,941	–	549,396,974	18,235,242	25,743,469	1,416,109	(12,058,507)	582,733,287
Expenses:								
Salaries, wages and fringe benefits	233,476,522	–	342,877,564	13,537,569	4,006,742	507,748	(566,412)	360,363,211
Supplies and other expenses	148,876,528	74	152,536,302	3,083,547	16,464,129	1,043,426	(13,983,533)	159,143,945
Depreciation and amortization	19,427,879	–	19,765,643	101,029	2,006,999	99	–	21,873,770
New Hampshire Medicaid Enhancement Tax	23,697,723	–	23,697,723	–	–	–	–	23,697,723
Interest	6,803,539	–	6,803,539	–	65,334	–	(8,996)	6,859,877
Total expenses	432,282,191	74	545,680,771	16,722,145	22,543,204	1,551,273	(14,558,941)	571,938,526
Income (loss) from operations	48,819,750	(74)	3,716,203	1,513,097	3,200,265	(135,164)	2,500,434	10,794,761
Nonoperating gains (losses):								
Investment (loss) return, net	(912,707)	–	(912,707)	(160,470)	–	206,424	–	(866,753)
Other	5,030,205	2,211,401	1,128,774	40,577	(988,864)	(88,410)	(4,711,835)	(2,408,357)
Net periodic pension (cost) gain, net of service cost	(1,286,609)	–	(1,426,971)	(45,114)	–	–	–	(1,472,085)
Nonoperating gains (losses), net	2,830,889	2,211,401	(1,210,904)	(165,007)	(988,864)	118,014	(4,711,835)	(4,747,195)
Excess (deficiency) of revenues and nonoperating gains (losses) over expenses	51,650,639	2,211,327	2,505,299	1,348,090	2,211,401	(17,150)	(2,211,401)	6,047,566
Net transfers (to) from affiliates and SolutionHealth	(41,880,542)	–	(985,542)	–	–	–	–	(985,542)
Pension adjustment	(25,810,121)	–	(29,182,760)	(863,179)	–	–	–	(30,045,939)
Transfer of balances between funds	(28,666)	–	(28,666)	–	–	–	–	(28,666)
(Decrease) increase in net assets without donor restrictions	$ (16,068,690)	$ 2,211,327	$ (27,691,669)	$ 484,911	$ 2,211,401	$ (17,150)	$ (2,211,401)	$ (25,012,581)

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATING BALANCE SHEET

June 30, 2019

ASSETS

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Current assets:								
Cash and cash equivalents	$ 63,342,294	$ 8,467	$ 66,138,993	$ 3,543,383	$ 12,662,939	$ 842,729	$ –	$ 83,196,511
Accounts receivable	39,951,318	–	44,191,258	1,516,162	1,347,868	–	–	47,055,288
Inventories	4,002,497	–	4,002,497	–	378,250	–	–	4,380,747
Amounts due from affiliates	2,875,742	–	–	–	859,521	49,603	(909,124)	–
Other current assets	15,926,255	–	16,465,785	70,101	1,155,389	(4,662)	–	17,686,613
Total current assets	126,098,106	8,467	130,798,533	5,129,646	16,403,967	887,670	(909,124)	152,319,159
Property, plant and equipment, net	171,286,758	–	171,638,356	438,949	30,633,279	99	–	202,710,683
Investments	75,712,637	–	75,712,637	–	–	–	–	75,712,637
Other assets:								
Investment in subsidiary	47,685,270	47,685,270	–	–	–	–	(47,685,270)	–
Other	9,128,937	–	9,128,937	–	3,944,896	1,993,185	(330,403)	14,736,615
	56,814,207	47,685,270	9,128,937	–	3,944,896	1,993,185	(48,015,673)	14,736,615
Assets whose use is limited:								
Board designated and donor restricted investments	110,341,008	–	110,341,008	10,049,008	1,163,319	17,706,590	–	139,259,925
Held by trustee under revenue bond and note agreements	3,250	–	3,250	–	–	–	–	3,250
Employee benefit plans and other	19,813,013	–	19,813,013	–	–	–	–	19,813,013
Beneficial interest in perpetual trusts	7,438,506	–	7,438,506	–	–	–	–	7,438,506
	137,595,777	–	137,595,777	10,049,008	1,163,319	17,706,590	–	166,514,694
Total assets	$ 567,507,485	$ 47,693,737	$ 524,874,240	$ 15,617,603	$ 52,145,461	$ 20,587,544	$ (48,924,797)	$ 611,993,788

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

LIABILITIES AND NET ASSETS

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Current liabilities:								
Accounts payable and accrued expenses	$ 32,181,526	$ –	$ 32,667,097	$ 320,796	$ 2,259,290	$ 147,032	$ –	$ 35,394,215
Accrued salaries, wages and related accounts	20,689,976	–	32,425,275	1,177,032	349,964	–	–	33,952,271
Accrued interest	1,737,267	–	1,737,267	–	84,826	–	(80,403)	1,741,690
Amounts payable to third-party payors	20,500,569	–	20,512,332	–	–	–	–	20,512,332
Amounts due to affiliates	–	–	255,971	334,509	318,644	–	(909,124)	–
Current portion of long-term debt	5,920,428	–	5,920,428	–	350,000	–	(250,000)	6,020,428
Total current liabilities	81,029,766	–	93,518,370	1,832,337	3,362,724	147,032	(1,239,527)	97,620,936
Accrued pension	85,305,724	–	93,892,022	2,961,299	–	–	–	96,853,321
Self-insurance reserves and other liabilities	39,988,107	–	39,988,107	–	–	–	–	39,988,107
Long-term debt, less current portion	155,156,065	–	155,156,065	–	1,097,467	–	–	156,253,532
Total liabilities	361,479,662	–	382,554,564	4,793,636	4,460,191	147,032	(1,239,527)	390,715,896
Net assets:								
Without donor restrictions/owners' equity	190,988,210	47,693,737	127,280,063	10,326,066	47,685,270	8,914,801	(47,685,270)	194,214,667
With donor restrictions	15,039,613	–	15,039,613	497,901	–	11,525,711	–	27,063,225
Total net assets	206,027,823	47,693,737	142,319,676	10,823,967	47,685,270	20,440,512	(47,685,270)	221,277,892
Total liabilities and net assets	$567,507,485	$47,693,737	$524,874,240	$15,617,603	$52,145,461	$20,587,544	$(48,924,797)	$611,993,788

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

ELLIOT HEALTH SYSTEM AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2019

	Obligated Group*	Elliot Health System	Elliot Hospital and Affiliates	Visiting Nurse Association of Manchester and Southern New Hampshire, Inc. and Affiliates	Elliot Health System Holdings and Subsidiaries	Mary and John Elliot Charitable Foundation	Elimi-nations	Consol-idated
Operating revenues:								
Patient service revenues	$ 449,991,078	$ –	$ 522,259,099	$17,151,263	$15,944,780	$ –	$ (1,300,709)	$ 554,054,433
Investment income	5,090,433	–	5,090,433	211,814	62,659	188,036	–	5,552,942
Other revenues	35,436,708	–	32,891,740	399,072	9,518,203	1,039,760	(11,055,364)	32,793,411
Total operating revenues	490,518,219	–	560,241,272	17,762,149	25,525,642	1,227,796	(12,356,073)	592,400,786
Expenses:								
Salaries, wages and fringe benefits	229,356,693	–	337,116,153	13,950,012	4,369,392	595,993	(1,300,709)	354,730,841
Supplies and other expenses	151,743,782	76	156,144,927	3,135,854	16,555,967	1,218,004	(13,533,661)	163,521,167
Depreciation and amortization	18,628,351	–	18,938,677	115,506	1,986,586	162	–	21,040,931
New Hampshire Medicaid Enhancement Tax	22,564,148	–	22,564,148	–	–	–	–	22,564,148
Interest	6,885,935	–	6,885,935	–	69,847	–	(8,876)	6,946,906
Total expenses	429,178,909	76	541,649,840	17,201,372	22,981,792	1,814,159	(14,843,246)	568,803,993
Income (loss) from operations	61,339,310	(76)	18,591,432	560,777	2,543,850	(586,363)	2,487,173	23,596,793
Nonoperating gains (losses):								
Investment return, net	4,080,104	–	4,080,104	177,771	–	1,146,378	–	5,404,253
Other	3,338,110	932,322	697,766	84,690	(1,563,608)	(99,121)	(3,419,495)	(3,367,446)
Net periodic pension gain, net of service cost	2,270,154	–	2,510,152	79,286	–	–	–	2,589,438
Nonoperating gains (losses), net	9,688,368	932,322	7,288,022	341,747	(1,563,608)	1,047,257	(3,419,495)	4,626,245
Consolidated excess of revenues and nonoperating gains (losses) over expenses	71,027,678	932,246	25,879,454	902,524	980,242	460,894	(932,322)	28,223,038
Noncontrolling interests in net gain of consolidated affiliates	–	–	–	–	(47,920)	–	–	(47,920)
Excess of revenues and nonoperating gains (losses) over expenses attributable to Elliot Health System	71,027,678	932,246	25,879,454	902,524	932,322	460,894	(932,322)	28,175,118
Net transfers (to) from affiliates and SolutionHealth	(43,230,412)	5,159,020	(5,964,432)	–	5,318,210	(60,000)	(5,159,020)	(706,222)
Pension adjustment	(21,736,922)	–	(24,577,745)	(761,122)	–	–	–	(25,338,867)
Changes in noncontrolling interest in consolidated affiliates	(1,428,778)	(1,428,778)	–	–	(1,587,968)	–	1,428,778	(1,587,968)
Increase (decrease) in net assets without donor restrictions attributable to Elliot Health System	$ 4,631,566	$ 4,662,488	$ (4,662,723)	$ 141,402	$ 4,662,564	$ 400,894	$ (4,662,564)	$ 542,061

* Includes Elliot Health System and Elliot Hospital, exclusive of affiliates

Elliot Health System

WE ARE SOLUTIONHEALTH

2021
Board of Directors
Contact Information

ELLIOT HEALTH SYSTEM
2021 BOARD OF DIRECTORS

Business Address	Home Address
Greg Baxter, MD President Elliot Health System One Elliot Way Manchester, NH 03103	
Loretta L.C. Brady, PhD	
Rev. John A. Cerrato, Jr. Pastor First Baptist Church 536 Union Street Manchester, NH 03101	
Susan Critz, MS, RN	
David Cuzzi President Prospect Hill Strategies Box 174 Manchester, NH 03105	
Matthew Dayno, MD Elliot Hospital - Emergency Dept. 1 Elliot Way Manchester, NH 03103	
Marina Feldman, MD Elliot Breast Health Center Elliot at River's Edge 185 Queen City Avenue Manchester, NH 03101	
Ms. Sherry Hausmann President and CEO SolutioNHealth	

ELLIOT HEALTH SYSTEM
2021 BOARD OF DIRECTORS

360 Route 101, Unit 8
Bedford, NH 03110

Mr. John Hession
Hession & Pare
62 Stark Street
Manchester, NH 03101

Paul W. Hoff, PhD

James C. Hood, Esquire
154 Shaw Street
Manchester, NH 03104

Joseph Hyatt, MD
Amoskeag Anesthesia, PLLC
One Elliot Way, Suite 200
Manchester, NH 03103

Dottie Kelley

Linda Kornfeld, MD
Elliot Hospital
One Elliot Way
Palliative Care, 5th floor
Manchester, NH 03103

Stephen Langan

Stephen Loosigian, DO
Elliot Hospital
One Elliot Way
Manchester, NH 03103

Mr. John Mercier
Executive Vice President
Commercial Banking & Trust Services
Bar Harbor Bank & Trust
1000 Elm Street, Suite 804
Manchester, NH 03101

ELLIOT HEALTH SYSTEM
2021 BOARD OF DIRECTORS

Mr. Daniel Monfried
President
R.J. Finaly & Co, LLC
30 Temple Street, Suite 400
Nashua, NH 03060

Mr. Charles F. Rolecek
President/Owner
The Premier Companies
287 Exeter Road
Hampton, NH 03842

Elizabeth Soukup, MD
Elliot Pediatric Surgery Associates
One Elliot Way, 1st Floor
Manchester, NH 03103

Philip Taub, Esquire
Nixon Peabody LLP
900 Elm Street
Manchester, NH 03101

James J. Tenn, Jr., Esquire
Tenn & Tenn, PA
16 High Street, Suite 3
Manchester, NH 03101

Peter van der Meer, MD
Southern N.H. Radiology
Elliot Hospital
One Elliot Way
Manchester, NH 03103

CAROL J. FURLONG, LCMHC, MAC, MBA

SKILLS / ABILITIES / ACHIEVEMENTS PROFILE

Administration: Seasoned professional with progressive experience in diverse healthcare and educational environments, including operations, budget control, marketing, quality assurance, risk management, utilization review, facility design and management, human resources, and strategic planning.

Management: Self-starter with strong planning, controlling, organizing and leadership skills. Effectively manages resources and ensures compliance with established policies and procedures. Skilled in identifying and troubleshooting problem areas and implementing solutions. Developed comprehensive Quality Management program. Restructured billing, triage and customer service systems resulting in improved productivity and efficiency. Extensive managed care experience.

Human Resources: Skilled in recruiting, interviewing and selecting top personnel. Effective trainer, develops staff abilities to full potential. Motivates and retains employees using the mentor approach. Managed and supervised training and development of personnel. Knowledgeable regarding multicultural issues. Effectively trained and prepared counseling professionals.

Communication: Articulate speaker and effective negotiator. Writes with strength, clarity and style. Natural ability to work with others. Consistently develops good rapport with staff, professionals, staff managers and community. Works well as part of a team or independently. Wrote and published several training and procedural manuals.

PROFESSIONAL EXPERIENCE

DIRECTOR OF SUBSTANCE USE SERVICES **2017 - present**

Developed and managing SUD programs – Hillsborough County North Drug Court, including two components of a co-occurring IOP, a co-occurring Partial Hospitalization Program, four primary care practice MAT programs, SUD services in the Emergency Room to include CRSW and MLADC and the MOM Grant- providing community collaboration to insure effective treatment for pregnant and post-partum women. Attend community meetings to increase the effectiveness of community care collaboration.

VICE PRESIDENT OF OPERATIONS **2005-2017**

Harbor Homes, Inc. Nashua, NH

Managed over 250 clinical, residential and administrative staff and coordinated a continuum of service delivery for those experiencing physical illness, mental illness, homelessness and other populations. Continuously expanded a fully integrated FQHC for homeless adding dental, MAT, and Medical Respite services along with primary care and Behavioral Health services. Developed Mobile Crisis Response Team for Greater Nashua area. Have successfully completed three HRSA site reviews and a CARF accreditation.

DIRECTOR OF COMMUNITY SUPPORT SERVICES DEPARTMENT **2003 – 2005**

Community Council of Nashua Nashua, NH

Developed and updated program plans, assured monitoring of implementation and implemented corrective actions as indicated. Provided education/consultation to staff, other agencies or community groups. Provided supervision to a clinical staff of approximately 40 therapists, case managers and MIMS workers. Developed Regional Planning of adult services. Assured quality/appropriateness of critical aspects of care through ongoing monitoring.

DIRECTOR OF OUTCOMES & SYSTEM IMPROVEMENT **1999-2003**

Community Council of Nashua Nashua, NH

Developed and maintained a Quality Management Program complying with NCQA and JCAHO standards. Monitored utilization review, evaluated medical necessity, and continuation of care services. Developed effective medical records protocols. Directed training for the agency. Coordinated efforts resulting in highly successful JCAHO survey, (among the top 5% in the country). Coordinated Customer Service and complaints process.

ADJUNCT FACULTY **1990-2005**

Rivier College Nashua, NH

Graduate Counseling Program – Instruct graduate counseling students in a variety of courses to include Group Therapy, Counseling Techniques, Substance Abuse Counseling, Clinical Assessment, Marriage & Family Therapy, and Prescriptive Behavioral Management Techniques.

DIRECTOR OF REGIONAL BEHAVIORAL HEALTH QM **1997-1999**
The Hitchcock Clinic **Bedford, NH**
Developed and maintained a Quality Management Program complying with NCQA standards for four Behavioral Health sites. Developed and implemented program expansion. Identified staffing requirements and facilitated subsequent downsizing to ensure cost effectiveness. Liaison between the Clinic and insurance plans. Monitored and supervised utilization review for the Southern Region, evaluating the medical necessity, case management and continuation of care. Recommended by insurance reviewers to other organizations for consultation services in order to assist these agencies in their compliance processes. Developed effective medical records protocols.

COORDINATOR OF MULTICULTURAL COUNSELING PROGRAM **1998-1999**
Rivier College Nashua, NH
Coordinated the Bilingual/Multicultural Counseling Program in both guidance counseling and mental health fields. Recruited and advised professional students from local multicultural agencies. Developed a diversity-training program for use in area schools and businesses to enhance multicultural awareness. Instructor in Graduate Counseling Program.

CLINICAL DIRECTOR **1990-1997**
The Hitchcock Clinic Nashua, NH
Developed and implemented program policies and procedures. Managed FTE and budgetary control while providing effective leadership to the staff. Improved out-referral system, while reducing out-referral expenditures. Developed cooperative collaboration measures with insurers' UM Departments. Supervised a staff of thirty employees. Senior member of the Regional Management Team and a member of the Nashua Medical Group Board of Governors.

PROGRAM DIRECTOR **1988-1990**
Partial Hospitalization Program, Brookside Hospital Nashua, NH
Developed program components, structure, policies and procedures. Implemented FTE and budgetary control and supervised treatment staff. Initiated referral network and maintained marketing and referral relationships within the Greater Nashua community. Facilitated groups provided case management and individual counseling including initial assessments. Monitored case management and utilization review processes with insurers.

PROGRAM DIRECTOR – SUBSTANCE ABUSE CLINIC **1985-1988**
Department of the Army West Germany
Developed comprehensive preventive substance abuse program. Coordinated efforts with schools, civic organizations, civilian agencies and military organizations in order to integrate preventive education efforts. Supervised clinical and support staff of two treatment clinics. Maintained referral relationships with commanders.

ARMY COMMUNITY SERVICE DIRECTOR **1983-1985**
Department of the Army West Germany
Developed comprehensive community support agency. Responsible for staffing and budgetary concerns. Composed informational publications, prepared financial and statistical reports and submitted budget requests to the U. S. government for agency funding. Responsible for FAP (Family Advocacy Program).

EDUCATION

MASTERS OF BUSINESS ADMINISTRATION DEGREE
IN HEALTHCARE ADMINISTRATION - 2001
Rivier College, Nashua

MASTERS OF SCIENCE IN EDUCATION (COUNSELING) - 1986
University of Southern California

BACHELORS IN EDUCATION (SPECIAL EDUCATION)
Westfield State College, Westfield, MA

LICENSES AND CERTIFICATIONS

LICENSED CLINICAL MENTAL HEALTH COUNSELOR
New Hampshire License #100 – 1998

MASTERS ADDICTION COUNSELOR CERTIFICATION
1997

SHANNON RONDEAU, RN, NREMT

SUMMARY

Professional Registered Nurse with strong leadership, coaching and communication skills. Recognized for working collaboratively with multidisciplinary teams to achieve successful patient outcomes. Expertise in working with various populations, providing care coordination with the goal of improved patient engagement, leading to improved health and wellness. Strong inter-personal communication skills, exceptional work ethic, highly organized and works well under pressure.

PROFESSIONAL EXPERIENCE

SOBRIETY CENTERS OF NH-ANTRIM HOUSE, Antrim, NH **December 2017 – 2020**

Professional Registered Nurse

Responsible for implementing and supervising nursing services in the medical withdrawal management and SUD residential programs. Give direction to counselor assistants on shift. Assist in training and evaluation of staff. Develop policies and procedures.

- Implement nursing care in accordance with program procedures established by the Medical Director and approved by the Executive Director, including Medication Assisted Treatment.
- Implement verbal physician orders and authenticate in writing, within a reasonable time, and include in the patient record. Communicate with physicians, pharmacists, counselors and direct care staff.
- Actively and compassionately interact with patients to encourage engagement in treatment after completion of withdrawal and during residential stay.
- Screen and provide first response to clients in residential program, including obtaining admission health history and physical assessment, accidents and medical complaints, e.g., cuts, earaches, sore throats, reported pain, etc., making referrals to local emergency department or urgent care facility when necessary.
- Provide patient education on health care, substance use disorder, and medication compliance as assigned or appropriate.
- Develop and maintain policies, procedures, workflows and other tools to document expected best practices and to support clinical effectiveness.

MONADNOCK COMMUNITY HOSPITAL, Peterborough, NH **March 2017 – December 2017**

ACO Care Coordinator

Responsible for coordinating team-based care to provide health services for individuals, through effective partnerships with patients, their caregivers/families, community resources, and their physician. Demonstrate evidence of essential leadership, communication, education, collaboration, and counseling skills.

- Provide a coordinated, strategic approach to detect early and manage effectively the chronically ill patient population.
- Cultivate effective partnerships, effectively collaborate with all practice providers (Physician, Nurse Practitioner, Physician Assistant and other licensed allied health team-members).
- Develop and maintain policies, procedures, workflows and other tools to document expected best practices and to support clinical effectiveness.
- Demonstrate understanding in use of IT resources and patient databases.
- Utilize effective delegation skills to streamline operational workflows and optimize inter-office resources.

ANTHEM, INC., Manchester, NH **January 2016 – October 2016**

Senior Clinical Care Consultant

Responsible for consulting with health care organizations to improve the effectiveness and efficiency of provider practices and clinical processes in the implementation of population health management strategies with a goal of achieving shared savings.

- Obtain and analyze cost and quality data and reports to support primary care practices' implementation of population health management, care coordination and care management strategies.
- Identify action plans and participate in design, development, and implementation of quality improvement activities.
- Serve as the point of contact for providers and primary care practices for shared savings program on-boarding and facilitation of meetings between Anthem and the provider office.
- Create and host tailored learning opportunities to support the deployment of program interventions and events that allow practices to learn from one another and national experts.

DARTMOUTH-HITCHCOCK MEDICAL CENTER, Bedford, NH **December 2013 – January 2016**

Manager Clinical Population Health, ACO Support

Responsible for implementation and management of the strategic vision and goals related to ambulatory care management programs, patient engagement, and quality improvement across Dartmouth-Hitchcock Health and affiliates to improve overall performance and outcomes.

- Developed and implemented care coordination playbook on best practices for patient engagement and care coordination within the patient centered medical home, including processes for care management, care planning, health coaching, goal development, and collaboration with medical neighborhood.
- Developed and maintained policies, procedures, workflows and other tools to document expected best practices and to support clinical effectiveness.
- Management and oversight of nurse care coordination team.

Health Coach, Center for Shared Decision Making **March 2013 – December 2013**

Collaborated with multidisciplinary clinical teams in the patient centered medical home engaged in quality improvement processes to implement health coaching practice and patient engagement interventions within current workflows. Worked directly with the site coordinator to ensure delivery of high-quality, evidence-based, and patient-centered health coaching services while adhering to standard operating procedures with a high level of independence.

- Employed high quality, consistent health coaching strategies to support patients and families; ensured maximal participation of the appropriate patients and families in health coaching and wellness programs; and effectively engaged patients and families by consistently implementing evidence based processes, procedures and tools.
- In collaboration with primary care physicians, care coordinators, and home health providers developed treatment plans, medication management and disease prevention protocols for individuals managing chronic physical and/or psychological illnesses.
- Designed and provided education via individual and group health training on various health and wellness topics with a goal of improving health and decreasing complications related to unhealthy behaviors.

HEALTH DIALOG, Bedford, NH **August 2011 – December 2012**

RN Manager / Community Leader

Provided management of 12-15 health coaches in a 24 hour registered nurse call center. Assisted in the development of protocols focusing on care coordination and transitions of care.

- Maintained effective coaching skills by actively coaching members and assisting health coaches to manage complex cases.
- Supported the success of up to 15 health coaches on how to reach and engage members to whom coaching could have a positive impact on their behavior.
- Developed and mentored health coaches to reach personal and professional goals and to improve clinical / technical knowledge helping them to effectively support members managing chronic illnesses.

RN / Health Coach

Recruited and promoted to a manager position after 4 months in this role. Educated and guided members through their health care and wellness choices by accessing approved health coaching tools utilizing branching logic protocols, websites, library resources, and Shared Decision-Making materials for research.

- Supported health and well-being of members in management of chronic conditions by performing assessments as indicated, utilizing shared decision-making tools, and providing evidence-based nursing care.
- Provided clinical support as needed in handling complex coaching situations or when independent nursing judgment and/or comprehensive assessments were necessary.

DARTMOUTH MEDICAL SCHOOL, ADDICTION RESEARCH CENTER, Hanover, NH **August 2007 – February 2012**

RN / Project Coordinator III

Planned, coordinated and implemented defined research activities including direct patient care, providing expertise and guidance to the research team and investigators, assessment of clinical ratings, and data collection for two sites.

- Maintained open communication by coordinating weekly team meetings and participating in weekly patient supervision with all investigators, physicians, and study personnel.
- Met with study participants to monitor for adverse events, medication compliance and health status.
- Provided physical and psychological assessments to evaluate, monitor, and plan for the health and well-being of study participants.

- Ensured the health, safety and welfare of study subjects were maintained through collection of informed consent, regularly scheduled study visits, and compliance with the study protocol.
- Designed, established, and conducted training programs for clinical research staff.
- Composed informed consent forms and protocol abstracts. Created study documents and study management tools for adverse event monitoring, inter-rater reliability, and others as needed.

EDUCATION

- BS, Healthcare Administration
  - New England College, Henniker, NH
- AS, Nursing
  - Rivier College, Nashua, NH

LICENSURE & CERTIFICATION

- New Hampshire Registered Nurse
  - License #056554-21
- NREMT, NH EMT
  - License #33101 E

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Carol Furlong	Director, SUD Department	$132.000	0	0
Shannon Rondeau	Nurse Care Coordinator	$82,555.20	64%	$52,531.00

22 mac

Lori A. Shibinette
Commissioner

Katja S. Fox
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

January 4, 2021

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, to **Retroactively** amend existing contracts with the vendors listed below in bold for the provision of medication assisted treatment to individuals with opioid use disorders, by exercising renewal options by increasing the total price limitation by $264,737 from $1,397,138 to $1,661,875 and by extending the completion dates from September 29, 2020 to September 29, 2021 effective upon Governor and Council approval. 100% Federal Funds.

The original contracts were approved by Governor and Council as indicated in the table below.

05-95-92-920510-70400000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: BEHAVIORAL HEALTH DIVISION, STATE OPIOID RESPONSE GRANT

Vendor Name	Vendor Code	Area Served	Current Amount	Increase (Decrease)	Revised Amount	G&C Approval
Elliot Hospital of the City of Manchester	**174360**	**Manchester**	**$271,428**	**$0**	**$271,428**	**O: 1/9/19, Item #9** **A1: 6/24/20, Item #30**
Harbor Homes, Inc.	155358	Nashua	$271,428	$0	$271,428	O: 12/5/18, Item #22
LRGHealthcare	**177161**	**Laconia**	**$271,428**	**$168,098**	**$439,526**	**O: 12/5/18, Item #22**
Mary Hitchcock Memorial Hospital	**177651**	**Lebanon**	**$311,426**	**$96,639**	**$408,065**	**O: 12/5/18, Item #22** **A1: 6/24/20, Item #30**
Riverbend Community Mental health, Inc.	177192	Concord	$271,428	$0	$271,428	O: 12/5/18, Item #22
		Total:	**$1,397,138**	**$264,737**	**$1,661,875**	

See attached fiscal details.

EXPLANATION

This request is **Retroactive** because there cannot be a lapse in services to clients. The State Opioid Response Grant funds anticipated to be available in State Fiscal Year 2020 were not yet appropriated in the operating budget and the Department did not receive the federal award letter for funding in time to submit this request prior to the current contracts expiring.

This purpose of this request is to allow the Contractor to continue providing comprehensive Medication Assisted Treatment to individuals with Substance Use Disorder by using FDA-approved medications. The Contractors ensure the provision of services specifically designed for pregnant and postpartum women with Opioid Use Disorder.

Approximately 1,000 individuals with substance use disorder who are in need of medication assisted treatment will be served from September 30, 2020 to September 29, 2021.

The Department will monitor contracted services through monthly reports to ensure:

- Fifty percent (50%) of individuals with Opioid Use Disorder referred to the Contractors for Medication Assisted Treatment services receive at least three (3) clinically appropriate, Medication Assisted Treatment related services.
- One hundred percent (100%) of clients seeking services that enter care directly through the Contractors, who consent to information sharing with the Regional Doorway for Opioid Use Disorder services, receive a Doorway referral for ongoing care coordination.
- One hundred percent (100%) of clients referred to the Contractors by the Regional Doorway for Opioid Use Disorder services have proper consents in place for transfer of information for the purposes of data collection between the Doorway and the Contractors.

As referenced in C-1, Revisions to Standard Contract Language of the original contracts, the parties have the option to extend the agreements for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for one (1) year of the two (2) years available.

Should the Governor and Executive Council not authorize this request, individuals with Opioid Use Disorder in need of Medication Assisted Treatment and additional supports may have reduced access to services or increased likelihood of having to be placed on a waitlist to access care. This may result in an increase of overdose fatalities during the waiting period and/or reeducated motivation to seek help if it is unavailable to individuals when they are ready to seek assistance for Opioid Use Disorder.

Area served: Manchester, Nashua, Laconia, and Lebanon regions

Source of Funds: CFDA #93.788, FAIN #TI081685 and CFDA #93.788, FAIN #TI083326.

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. Weaver

Lori A. Weaver
Deputy Commissioner

DEPARTMENT OF HEALTH AND HUMAN SERVICES
COMMUNITY MENTAL HEALTH CENTER CONTRACT AMENDMENTS
SFY 2016 FINANCIAL DETAIL

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: BEHAVIORAL HEALTH DIV OF BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT
100% Federal Funds CFDA #93.788 FAIN H79TI081685 and H79TI083326

Elliot Hospital of the City of Manchester — Vendor # 174360

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 107,214	$ (66,480)	$ 40,734
2020	102/500731	Contracts for Program Services	92057040	$ 135,714	$ (38,582)	$ 97,132
2021	102/500731	Contracts for Program Services	92057040	$ 28,500	$ -	$ 28,500
2021	102/500731	Contracts for Program Services	92057047	$ -	$ 15,062	$ 15,062
2021	102/500731	Contracts for Program Services	92057048	$ -	$ 60,000	$ 60,000
2022	102/500731	Contracts for Program Services	92057048	$ -	$ 30,000	$ 30,000
		Sub Total		$ 271,428	$ -	$ 271,428

Harbor Homes, Inc — Vendor # 155358

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2020	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2021	102/500731	Contracts for Program Services	92057040	$ -	$ -	$ -
2021	102/500731	Contracts for Program Services	92057047	$ -	$ -	$ -
2021	102/500731	Contracts for Program Services	92057048	$ -	$ -	$ -
2022	102/500731	Contracts for Program Services	92057048	$ -	$ -	$ -
		Sub Total		$ 271,428	$ -	$ 271,428

LRGHealthcare — Vendor #

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2020	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2021	102/500731	Contracts for Program Services	92057040	$ -	$ -	$ -
2021	102/500731	Contracts for Program Services	92057047	$ -	$ 24,098	$ 24,098
2021	102/500731	Contracts for Program Services	92057048	$ -	$ 98,000	$ 98,000
2022	102/500731	Contracts for Program Services	92057048	$ -	$ 48,000	$ 48,000
		Sub Total		$ 271,428	$ 168,098	$ 439,526

DEPARTMENT OF HEALTH AND HUMAN SERVICES
COMMUNITY MENTAL HEALTH CENTER CONTRACT AMENDMENTS
SFY 2016 FINANCIAL DETAIL

Mary Hitchcock Memorial Hospital — Vendor # 176651

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 113,485	$ (113,485)	$ -
2020	102/500731	Contracts for Program Services	92057040	$ 155,941	$ -	$ 155,941
2021	102/500731	Contracts for Program Services	92057040	$ 42,000	$ -	$ 42,000
2021	102/500731	Contracts for Program Services	92057047	$ -	$ 30,124	$ 30,124
2021	102/500731	Contracts for Program Services	92057048	$ -	$ 120,000	$ 120,000
2022	102/500731	Contracts for Program Services	92057048	$ -	$ 60,000	$ 60,000
		Sub Total		$ 311,426	$ 96,639	$ 408,065

Riverbend Community Mental Health — Vendor # 177192

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 101,786	$ -	$ 101,786
2020	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2021	102/500731	Contracts for Program Services	92057040	$ 33,928	$ -	$ 33,928
		Sub Total		$ 271,428	$ -	$ 271,428
			Overall Total	$ 1,397,138	$ 264,737	$ 1,661,875

State of New Hampshire
Department of Health and Human Services
Amendment #2 to the Medication Assisted Treatment Contract

This 2nd Amendment to the Medication Assisted Treatment contract (hereinafter referred to as "Amendment #2") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Elliot Hospital of the City of Manchester, (hereinafter referred to as "the Contractor"), a domestic nonprofit corporation with a place of business at 1 Elliott Way, Manchester, NH 03103.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on January 9, 2019, (Item #9), as amended on June 24, 2020, (Item #30), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to General Provisions, Paragraph 9, Renewal, the Contract may be amended and extended upon written agreement of the parties and approval from the Governor and Executive Council; 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. Form P-37 General Provisions, Block 1.7, Completion Date, to read:

   September 29, 2021.

2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

   $271,428.

3. Modify Exhibit A, Scope of Services, Section 2, Section 2, Scope of Work – Community Based, Subsection 2.7, Paragraph 2.7.3, to read:

   2.7.3. Reserved.

4. Modify Exhibit A, Scope of Services, Section 2, Section 2, Scope of Work – Community Based, Subsection 2.7, Paragraph 2.7.4, to read:

   2.7.4. Coordinate all services delivered to patients with the local Regional Hub for OUD services (hereafter referred to as "Doorway") including, but not limited to accepting clinical evaluation results for level of care placement from the Doorway.

5. Modify Exhibit A, Scope of Services, Section 2, Section 2, Scope of Work – Community Based, Subsection 2.11, to read:

   2.11. The Contractor shall collaborate and develop formal referral and information sharing agreements with other providers that offer services to Individuals with OUD, including the local Doorway.

6. Modify Exhibit A, Scope of Services, Section 2, Scope of Work – Community Based, Subsection 2.12, to read:

   2.12. The Contractor shall communicate client needs with the Doorway(s) to ensure client access to financial assistance through flexible needs funds managed by the Doorway(s).

7. Modify Exhibit A, Scope of Services, Section 6, Reporting and Deliverable Requirements, Subsection 6.1, to read:

   6.1. The Contractor shall ensure their MAT Nurse Care Coordinators coordinate the sharing of

client data and service needs with the Doorway(s) to ensure that each patient served has a GPRA interview completed at intake, six (6) months, and discharge.

8. Modify Exhibit A, Scope of Services, Section 6, Reporting and Deliverable Requirements, Subsection 6.2, to read:

   6.2. The Contractor shall gather and submit de-identified, aggregate patient data to the Department on the tenth (10th) day of each month using a Department-approved method. The Contractor shall ensure the data collected includes, but is not limited to:

   6.2.1. Diagnoses.

   6.2.2. Demographic characteristics.

   6.2.3. Substance use.

   6.2.4. Services received.

   6.2.5. Types of MAT received.

   6.2.6. Length of stay in treatment.

   6.2.7. Employment status.

   6.2.8. Criminal justice involvement.

   6.2.9. Housing.

9. Modify Exhibit A, Scope of Services, Section 6, Reporting and Deliverable Requirements, Subsection 6.3, to read:

   6.3. The Contractor shall submit monthly reports on federally required data points specific to funding sources, as identified by SAMHSA and detailed in Exhibit B.

10. Modify Exhibit A, Scope of Services, Section 6, Reporting and Deliverable Requirements, by adding Subsection 6.5, to read:

    6.4. The Contractor shall prepare and submit ad hoc data reports, respond to periodic surveys, and other data collection requests as deemed necessary by the Department and/or SAMHSA.

11. Modify Exhibit A, Scope of Services, Section 7, Performance Measures, by adding Subsection 7.4, to read:

    7.4. The Contractor shall collaborate with the Department to enhance contract management, improve results and adjust program delivery and policy based on successful outcomes.

12. Modify Exhibit A, Scope of Services by adding Section 8, State Opioid Response (SOR) Grant Standards, to read:

    8. State Opioid Response (SOR) Grant Standards

    8.1. In order to receive payments for services provided through SOR grant funded initiatives, the Contractor shall ensure each Site:

    8.1.1. Establishes formal information sharing and referral agreements with all Doorways for substance use services that comply with all applicable confidentiality laws, including 42 CFR Part 2.

    8.1.2. Completes client referrals to applicable Doorways for substance use services within two (2) business days of a client's admission to the program.

    8.1.3. Only provides medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically

appropriate.

8.2. The Contractor shall ensure that only FDA-approved MAT for OUD is utilized.

8.3. The Contractor shall provide the Department with a budget narrative within thirty (30) days of the contract effective date.

8.4. The Contractor shall meet with the Department within sixty (60) days of the contract effective date to review contract implementation.

8.5. The Contractor shall provide the Department with timelines and implementation plans associated with SOR funded activities to ensure services are in place within thirty (30) days of the contract effective date.

8.5.1. If the Contractor is unable to offer services within the required timeframe, the Contractor shall submit an updated implementation plan to the Department for approval to outline anticipated service start dates.

8.5.2. The Department reserves the right to terminate the contract and liquidated unspent funds, if services are not in place within ninety (90) days of the contract effective date.

8.6. The Contractor shall accept clients for MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

8.7. The Contractor shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

8.8. The Contractor shall ensure that all clients are regularly screened for, tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

8.9. The Contractor shall collaborate with the Department to understand and comply with all appropriate DHHS, State of NH, SAMHSA, and other Federal terms, conditions, and requirement.

8.10. The Contractor shall attest the understanding that SOR grant funds may not be used, directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana. The Contractor agrees that:

8.10.1. Treatment in this context includes the treatment of opioid use disorder (OUD).

8.10.2. Grant funds also cannot be provided to any individual who or organization that provides or permits marijuana use for the purposes of treating substance use or mental disorders.

8.10.3. This marijuana restriction applies to all subcontracts and memorandums of understanding (MOU) that receive SOR funding.

8.10.4. Attestations will be provided to the Contractor by the Department.

8.10.5. The Contractor shall complete and submit all attestations to the Department within thirty (30) days of contract approval.

8.11. The Contractor shall refer to Exhibit C for grant terms and conditions including, but not

limited to:

8.11.1. Invoicing;

8.11.2. Funding restrictions; and

8.11.3 Billing.

13. Modify Exhibit B, Methods and Conditions Precedent to Payment by replacing in its entirety with Exhibit B, Amendment #2, Methods and Conditions Precedent to Payment, which is attached hereto and incorporated by reference herein, in order to update payment terms to reflect current funding requirements.
14. Modify Exhibit B-3, Amendment #1 Budget by reducing the total budget amount by $28,500 which is identified as unspent funding of which $15,062 is being carried forward to fund the activities in this Agreement for SFY 21 September 30, 2020 through December 31, 2020 as specified in Exhibit B-4, Amendment #2 Budget, NCE.
15. Add Exhibit B-4, Amendment #2 Budget, NCE, which is attached hereto and incorporated by reference herein.
16. Add Exhibit B-5, Amendment #2 Budget, SOR II, which is attached hereto and incorporated by reference herein.
17. Add Exhibit B-6, Amendment #2 Budget, SOR II, which is attached hereto and incorporated by reference herein.

New Hampshire Department of Health and Human Services
Medication Assisted Treatment

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #2 remain in full force and effect. This amendment shall be retroactively effective to September 29, 2020 upon the date of Governor and Executive Council approval.

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

12/14/2020
Date

DocuSigned by:
Katja Fox
Name: Katja Fox
Title: Director

Elliot Hospital of the City of Manchester

12-8-20
Date

Name: W. Gregory Baxter, MD
Title: President

New Hampshire Department of Health and Human Services
Medication Assisted Treatment

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

OFFICE OF THE ATTORNEY GENERAL

12/22/2020
Date

DocuSigned by:
Name: Catherine Pinos
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

Methods and Conditions Precedent to Payment

1. This Agreement is funded by100% Federal funds from the State Opioid Response Grant, as awarded on 09/30/2018, by the U.S. DHHS, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI081685, and as awarded on 09/30/2020, by the DHHS, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI083326.
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.
   2.3. The de minimis Indirect Cost Rate of 10% applies in accordance with 2 CFR §200.414.
3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line item, as specified in Exhibit B-1, Budget through Exhibit B-6 Amendment #2 Budget SOR II.
4. The Contractor shall seek payment for services, as follows:
   4.1. First, the Contractor shall charge the client's private insurance or other payor sources.
   4.2. Second, the Contractor shall charge Medicare.
   4.3. Third, the Contractor shall charge Medicaid enrolled individuals, as follows:
      4.3.1. Medicaid Care Management: If enrolled with a Managed Care Organization (MCO), the Contractor shall be paid in accordance with its contract with the MCO.
      4.3.2. Medicaid Fee for Service: The Contractor shall bill Medicaid for services on the Fee for Service (FFS) schedule.
   4.4. Fourth, the Contractor shall charge the client in accordance with the Sliding Fee Scale Program.
   4.5. Lastly, if any portion of the amount specified in the Sliding Fee Scale remains unpaid, charge the Department for the unpaid balance.
5. The Contractor shall submit an invoice in a form satisfactory to the State by the fifteenth (15th) working day of the following month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The Contractor shall ensure the invoice is completed, dated and returned to the Department in order to initiate payment. Invoices shall

be net any other revenue received towards the services billed in fulfillment of this agreement. The Contractor shall ensure:

5.1. Backup documentation includes, but is not limited to:

5.1.1. General Ledger showing revenue and expenses for the contract.

5.1.2. Timesheets and/or time cards that support the hours employees worked for wages reported under this contract.

5.1.2.1. Per 45 CFR Part 75.430(i)(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

5.1.2.2. Attestation and time tracking templates, which are available to the Department upon request.

5.1.3. Invoices supporting expenses reported.

5.1.3.1. Unallowable expenses include, but are not limited to:

5.1.3.1.1. Amounts belonging to other programs.

5.1.3.1.2. Amounts prior to effective date of contract.

5.1.3.1.3. Construction or renovation expenses.

5.1.3.1.4. Food or water for employees.

5.1.3.1.5. Directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana.

5.1.3.1.6. Fines, fees, or penalties.

5.1.3.1.7. Per SAMSHA requirements, meals are generally unallowable unless they are an integral part of a conference grant or specifically stated as an allowable expense in the FOA. Grant funds may be used for light snacks, not to exceed three dollars ($3.00) per person for clients.

5.1.3.1.8. Cell phones and cell phone minutes for clients.

5.1.4. Receipts for expenses within the applicable state fiscal year.

5.1.5. Cost center reports.

5.1.6. Profit and loss report.

5.1.7. Remittance Advices from the insurances billed. Remittance Advices do not need to be supplied with the invoice, but should be retained to be available upon request.

5.1.8. Information requested by the Department verifying allocation or offset based on third party revenue received.

5.1.9. Summaries of patient services revenue and operating revenue and other financial information as requested by the Department.

6. The Contractor is responsible for reviewing, understanding, and complying with further restrictions included in the Funding Opportunity Announcement (FOA).

7. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to melissa.girard@dhhs.nh.gov, or invoices may be mailed to:

SOR Financial Manager
Department of Health and Human Services
105 Pleasant Street
Concord, NH 03301

8. The Contractor agrees that billing submitted for review after twenty (20) business days of the last day of the billing month may be subject to non-payment.

9. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10. The final invoice shall be due to the State no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.

11. The Contractor must provide the services in Exhibit A, Scope of Services, in compliance with funding requirements.

12. The Contractor agrees that funding under this Agreement may be withheld, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit A, Scope of Services, including failure to submit required monthly and/or quarterly reports.

13. Notwithstanding Paragraph 18 of the General Provisions 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.

14. Audits

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

14.1.1. 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.

14.1.2. 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.

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

14.2. 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.

14.3. 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.

14.4. Any Contractor that receives an amount equal to or greater than $250,000 from the Department during a single fiscal year, regardless of the funding source, may be required, at a minimum, to submit annual financial audits performed by an independent CPA if the Department's risk assessment determination indicates the Contractor is high-risk.

14.5. 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.

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Contractor Name: Elliot Hospital of the City of Manchester

Budget Request for: Medication Assisted Treatment

Budget Period: SFY21 09/30/20-12/31/20 (NCE)

Line Item	Total Program Cost: Direct	Total Program Cost: Indirect	Total Program Cost: Total	Contractor Share / Match: Direct	Contractor Share / Match: Indirect	Contractor Share / Match: Total	Funded by DHHS contract share: Direct	Funded by DHHS contract share: Indirect	Funded by DHHS contract share: Total
1. Total Salary/Wages	$ 12,000.00	$ -	$ 12,000.00	$ -	$ -	$ -	$ 12,000.00	$ -	$ 12,000.00
2. Employee Benefits	$ 3,062.00	$ -	$ 3,062.00	$ -	$ -	$ -	$ 3,062.00	$ -	$ 3,062.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 15,062.00	$ -	$ 15,062.00	$ -	$ -	$ -	$ 15,062.00	$ -	$ 15,062.00
Indirect As A Percent of Direct		0.0%							

Contractor Initials: [signature]
Date: 12-8-20

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Contractor Name: Elliot Hospital of the City of Manchester

Budget Request for: Medication Assisted Treatment
Project Title

Budget Period: SFY21 01/01/21-06/30/21

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 47,300.00	$ -	$ 47,300.00	$ -	$ -	$ -	$ 47,300.00	$ -	$ 47,300.00
2. Employee Benefits	$ 11,700.00	$ -	$ 11,700.00	$ -	$ -	$ -	$ 11,700.00	$ -	$ 11,700.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specify details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 60,000.00	$ -	$ 60,000.00	$ -	$ -	$ -	$ 60,000.00	$ -	$ 60,000.00
Indirect As A Percent of Direct		0.0%							

Contractor Initials

Date 12.8.20

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Contractor Name: Elliot Hospital of the City of Manchester

Budget Request for: Medication Assisted Treatment
Project Title

Budget Period: SFY 07/01/21-06/30/21 (SOR II)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 23,700.00	$ -	$ 23,700.00	$ -	$ -	$ -	$ 23,700.00	$ -	$ 23,700.00
2. Employee Benefits	$ 5,800.00	$ -	$ 5,800.00	$ -	$ -	$ -	$ 5,800.00	$ -	$ 5,800.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ 1,800.00	$ -	$ 1,800.00	$ -	$ -	$ -	$ 1,800.00	$ -	$ 1,800.00
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 31,300.00	$ -	$ 31,300.00	$ -	$ -	$ -	$ 31,300.00	$ -	$ 31,300.00

Indirect As A Percent of Direct 0.0%

Contractor Initials AB
Date 12.5.20

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Lori A. Shibinette
Commissioner

Katja S. Fox
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

June 10, 2020

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, to amend existing contracts with the vendors listed below in bold that provide medication assisted treatment to individuals with opioid use disorders by adding budgets for State Fiscal Year 2021, with no change to the price limitation of $1,397,138 and no change to the contract completion dates of September 29, 2020 effective upon Governor and Council approval..

The contracts were approved by the Governor and Executive Council as indicated in the table below.

Vendor Name	Vendor Code	Area Served	Current Amount	Increase/ (Decrease)	New Amount	G&C Approval
Elliot Health System of the City of Manchester, Manchester NH	174360	Manchester	$271,428	$0	$271,428	O: 1/9/2029 Item #9
Harbor Homes, Inc., Nashua NH	155358	Nashua	$271,428	$0	$271,428	O: 12/5/18 item #22
LRGHealthcare, Laconia NH	177161	Laconia	$271,428	$0	$271,428	O: 12/5/18 item #22
Mary Hitchcock Memorial Hospital, Lebanon NH	177651	Lebanon	$311,426	$0	$311,426	O: 12/5/18 item #22
Riverbend Community Mental Health, Inc., Concord NH	177192	Concord	$271,428	$0	$271,428	O: 12/5/18 item #22
		Total	**$1,397,138**	**$0**	**$1,397,138**	

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

See attached fiscal details.

EXPLANATION

The purpose of this request is add budgets to the contracts for State Fiscal Year 2021. In accordance with the terms of Exhibit B Method and Conditions Precedent to Payment, the budgets are to be submitted to Governor and Executive Council for approval no later than June 30, 2020.. State Fiscal Year 2019 budgets are being reduced by a total amount of $104,428, which is identified as unspent funding that is being carried forward to fund activities in the contract for State Fiscal Year 2021, specifically July 1, 2020 through September 29, 2020. The other two vendors not listed in bold have will not require a carry forward because the funding has been used for State Fiscal Year 2019.

Approximately 380 individuals will be served from July 1, 2020 to September 30, 2020. These contractors provide comprehensive Medication Assisted Treatment using FDA-approved medications for individuals with Opioid Use Disorder who require community-based services. These agreements also ensure the provision of services specifically designed for pregnant and postpartum women with OUD.

The Department has been monitoring the contracted services using the following performance measures:

- Fifty percent (50%) of individuals with Opioid Use Disorder referred to the Vendor for Medication Assisted Treatment services receive at least three (3) clinically-appropriate, MAT-related services.
- One hundred percent (100%) of clients seeking services under this proposed contract that enter care directly through the Vendor, who consent to information sharing with the Regional Hub for Opioid Use Disorder services, receive a Hub referral for ongoing care coordination.
- One hundred percent (100%) of clients referred to the Vendor by the Regional Hub for Opioid Use Disorder services have proper consents in place for transfer of information for the purposes of data collection between the Hub and the Vendor.

As referenced in Exhibit C-1 Revisions to Standard Contract Language of the original contracts, the parties have the option to extend the agreements for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is not exercising its option to renew at this time.

Should the Governor and Council not authorize this request, the Department may not have the ability to ensure proper billing and proper use of funding by the vendors.

Area served: Integrated Delivery Network (IDN) Regions 1-5

Respectfully submitted,

Lori A. Shibinette
Commissioner

Financial Detail

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: BEHAVIORAL HEALTH DIV OF, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT					
100% Federal Funds					
Activity Code: 92057040					
Elliot Heath System					
Vendor # 174380					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**	**Increase/ (Decrease)**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$135,714	$ (28,500.00)	$ 107,214.00
2020	Contracts for Prog Svs	102-500731	$135,714		$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$0	$ 28,500.00	$ 28,500.00
		Subtotal	$271,428	$0	$271,428
Harbor Homes					
Vendor # 155358					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**		**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -	$ -	$ -
		Subtotal	$ 271,428.00	$ -	$ 271,428.00
LRG Healthcare					
Vendor # 177161					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**		**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -	$ -	$ -
		Subtotal	$ 271,428.00	$ -	$ 271,428.00
Mary Hitchcock					
Vendor # 177651					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**		**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 155,485.00	$ (42,000.00)	$ 113,485.00
2020	Contracts for Prog Svs	102-500731	$ 155,941.00	$ -	$ 155,941.00
2021	Contracts for Prog Svs	102-500731	$ -	$ 42,000.00	$ 42,000.00
		Subtotal	$ 311,426.00	$ -	$ 311,426.00
Riverbend Community Mental Health					
Vendor # 177192					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**		**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00	$ (33,928.00)	$ 101,786.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -	$ 33,928.00	$ 33,928.00
		Subtotal	$ 271,428.00	$ -	$ 271,428.00
		TOTAL	$ 1,397,138.00	$ -	$ 1,397,138.00

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH
BUREAU OF DRUG AND ALCOHOL SERVICES

105 PLEASANT STREET, CONCORD, NH 03301
603-271-6110 1-800-852-3345 Ext. 6738
Fax: 603-271-6105 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

December 4, 2018

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, Bureau of Drug and Alcohol Services, to enter into an agreement with Elliott Health System as listed below in bold, to provide comprehensive Medication Assisted Treatment, in an amount not to exceed $271,428, thereby increasing the price limitation in the aggregate by $271,428 from $1,125,710 to $1,397,138, effective upon Governor and Executive Council approval through September 29, 2020. 100% Federal Funds.

Vendor Name	Vendor ID	Vendor Address	Current Amount	Increase/ (Decrease)	New Amount
Elliot Health System of the City of Manchester	174360	1 Elliot Way, Manchester, NH, 03101	$0	$271,428	$271,428
Harbor Homes, Inc.	155358	77 Northeastern Blvd, Nashua, NH 03062	$271,428	$0	$271,428
LRGHealthcare	177161	80 Highland St. Laconia, NH 003246	$271,428	$0	$271,428
Mary Hitchcock Memorial Hospital	177651	One Medical Center Drive Lebanon, NH 03756	$311,426	$0	$311,426
Riverbend Community Mental Health, Inc.	177192	278 Pleasant Street, Concord, NH 03302	$271,428	$0	$271,428
		Total	**$1,125,710**	**$271,428**	**$1,397,138**

Funds are available in the following account for State Fiscal Year (SFY) 2019, and are anticipated to be available in SFY 2020 and SFY 2021, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT.

SFY	Class/ Account	Class Title	Job Number	Current Amount	Increase/ (Decrease)	New Amount
2019	102-500731	Contracts for Program Services	92057040	$562,627	$135,714	$698,341
2020	102-500731	Contracts for Program Services	92057040	$563,083	$135,714	$698,797
			Total	$1,125,710	$271,428	$1,397,138

EXPLANATION

The purpose of this request is for the provision of comprehensive Medication Assisted Treatment (MAT) using FDA-approved medications for individuals with Opioid Use Disorder (OUD) who require community-based services. These agreements also ensure the provision of services specifically designed for pregnant and postpartum women with OUD. This is the fifth (5th) and final contract for these services to be brought forward to the Governor and Executive Council. The previous four (4) agreements were approved by the Governor and Executive Council on December 5, 2018 (Item #22).

These services are part of the State's accepted plan to the Substance Abuse and Mental Health Services Administration (SAMHSA) under the State Opioid Response (SOR) grant. This grant is being used to make critical investments in the substance use disorder system in order to reduce unmet treatment needs, reduce opioid overdose fatalities, and increase access to MAT over the next two (2) years.

The vendors will provide services to individuals with OUD in need of evidence-based MAT alongside necessary outpatient and wrap around services to support recovery. Vendors will provide MAT services to the general population as well as enhanced services for pregnant and postpartum women in need of additional supports to be successful in recovery including, but not limited to childcare, transportation and parenting education.

Unique to these services is a robust level of client-specific data that will be available, which will be collected in coordination with the nine (9) Regional Hubs that were approved by Governor and Executive Council at the October 31, 2018 meeting. The SOR grant requires

that all individuals served receive a comprehensive assessment at several time intervals, specifically at intake, three (3) months, six (6) months and upon discharge. Through collaborative agreements with the Vendors under these contracts, the Regional Hubs will be responsible for gathering data on client-related outcomes including, but not limited to recovery status, criminal justice involvement, employment, and housing needs at the time intervals listed above. This data will enable the Department to measure short and long-term outcomes associated with SOR-funded initiatives and to determine which programs are generating the best results for the clients served.

In addition to the client-level outcomes noted above, the following performance measures will be used to measure the effectiveness of the agreement:

- Fifty percent (50%) of individuals with OUD referred to the Vendor for MAT services receive at least three (3) clinically-appropriate, MAT-related services.
- One hundred percent (100%) of clients seeking services under this proposed contract that enter care directly through the Vendor, who consent to information sharing with the Regional Hub for OUD services, receive a Hub referral for ongoing care coordination.
- One hundred percent (100%) of clients referred to the Vendor by the Regional Hub for OUD services have proper consents in place for transfer of information for the purposes of data collection between the Hub and the Vendor.

A Request for Proposals was posted on The Department of Health and Human Services' web site from September 5, 2018 through September 26, 2018. The Department received six (6) proposals. The proposals were reviewed and scored by a team of individuals with program specific knowledge. The review included a thorough discussion of the strengths and weaknesses of the proposals/applications. The five (5) vendors listed in the Requested Action were selected. The Score Summary is attached.

As referenced in the Request for Proposals and in Exhibit C-1 of these contracts, these agreements have the option to extend for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.

Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

Should the Governor and Executive Council not authorize this request, individuals with OUD in need of MAT and additional supports may have reduced access to services or increased likelihood of having to be placed on a waitlist to access care. This may result in a an increase of overdose fatalities during the waiting period and/or reduced motivation to seek help if it is unavailable to individuals when they are ready to seek assistance for OUD.

Area served: Integrated Delivery Network (IDN) Regions 1-5

Source of Funds: 100% Federal Funds from the Substance Abuse and Mental Health Services Administration, State Opioid Response Grant, (CFDA #93.788, FAIN TI081685)

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

Respectfully submitted,

Katja S. Fox
Director

Approved by:
Jeffrey A. Meyers
Commissioner

Financial Detail

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: BEHAVIORAL HEALTH DIV OF, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT					
100% Federal Funds					
Activity Code: 92057040					
Elliot Heath System					
Vendor # 174360					
State Fiscal Year	Class Title	Class Account	Current Budget	Increase/ (Decrease)	Current Budget
2019	Contracts for Prog Svs	102-500731	$0	$ 135,714.00	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$0	$ 135,714.00	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$0	$ -	$ -
		Subtotal	$0	$ 271,428.00	$ 271,428.00
Harbor Homes					
Vendor # 155358					
State Fiscal Year	Class Title	Class Account	Current Budget		Current Budget
2019	Contracts for Prog Svs	102-500731	$ 135,714.00	$0	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00	$0	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -	$0	$ -
		Subtotal	$ 271,428.00	$0	$ 271,428.00
LRG Healthcare					
Vendor # 177161					
State Fiscal Year	Class Title	Class Account	Current Budget		Current Budget
2019	Contracts for Prog Svs	102-500731	$ 135,714.00	$0	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00	$0	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -	$0	$ -
		Subtotal	$ 271,428.00	$0	$ 271,428.00
Mary Hitchcock					
Vendor # 177651					
State Fiscal Year	Class Title	Class Account	Current Budget		Current Budget
2019	Contracts for Prog Svs	102-500731	$ 155,485.00	$0	$ 155,485.00
2020	Contracts for Prog Svs	102-500731	$ 155,941.00	$0	$ 155,941.00
2021	Contracts for Prog Svs	102-500731	$ -	$0	$ -
		Subtotal	$ 311,426.00	$0	$ 311,426.00
Riverbend Community Mental Health					
Vendor # 177192					
State Fiscal Year	Class Title	Class Account	Current Budget		Current Budget
2019	Contracts for Prog Svs	102-500731	$ 135,714.00	$0	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00	$0	$ 135,714.00
2021	Contracts for Prog Svs	102-500731		$0	
		Subtotal	$ 271,428.00	$0	$ 271,428.00
		TOTAL	$ 1,125,710.00	$ 271,428.00	$ 1,397,138.00

New Hampshire Department of Health and Human Services
Office of Business Operations
Contracts & Procurement Unit
Summary Scoring Sheet

Medication Assisted Treatment
RFP Name

RFP-2019-BDAS-05-MEDIC
RFP Number

Bidder Name	Pass/Fail	Maximum Points	Actual Points
1. Elliot Health System		610	488
2. Harbor Homes, Inc.		610	501
3. LRGHealthcare		610	450
4. Mary Hitchcock Memorial Hospital		610	393
5. New Approaches, Inc.		610	132
6. Riverbend CMH, Inc.		610	477

Reviewer Names

1. Abby Shockley, Snr Policy Analyst, Substnc Use Srvs DBH
2. Regina Flynn, MAT-POOA Project Coordinator, BDAS
3. Ann Collins, RN Public Health Nurse Coordinator, BCHS-OPHS
4. Laurie Heath, Business Admin III, DBH/BDAS Finance
5.
6.
7.
8.

State of New Hampshire
Department of Health and Human Services
Amendment #3

This Amendment to the Medication Assisted Treatment contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and the Mary Hitchcock Memorial Hospital ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 5, 2018 (Item #22), as amended on June 24, 2020 (Item #30), as amended on January 22, 2021 (Item #22), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to General Provisions, Section 9, Renewal, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; 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. Form P-37 General Provisions, Block 1.7, Completion Date, to read:

   June 30, 2022.

2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

   $513,127.

3. Modify Exhibit A, Section 8, State Opioid Response (SOR) Grant Standards, Subsection 8.3. to read:

   8.3. Reserved

4. Modify Exhibit A, Scope of Services, Section 8, State Opioid Response (SOR) Grant Standards, Paragraph 8.10., to read:

   8.10. The Contractor shall ensure that SOR grant funds are not be used to purchase, prescribe, or provide marijuana for treatment using marijuana. The Contractor shall ensure:

   8.10.1. Treatment in this context includes the treatment of opioid use disorder (OUD).

   8.10.2. Grant funds are not provided to any individual who, or organization that, provides or permits marijuana use for the purposes of treating substance use or mental disorders.

   8.10.3. This marijuana restriction applies to all subcontracts and memorandums of understanding (MOU) that receive SOR funding.

5. Modify Exhibit A, Scope of Services, Section 8, State Opioid Response (SOR) Grant Standards, by adding Paragraph 8.12., to read:

   8.12. The Contractor shall provide a Fentanyl test strip utilization plan to the Department for approval prior to implementation. The Contractor shall ensure the utilization plan

EJM

includes:

8.12.1. Internal policies for the distribution of Fentanyl strips;

8.12.2. Distribution methods and frequency; and

8.12.3. Other key data, as requested by the Department.

6. Modify Exhibit B Amendment #2, Methods and Conditions Precedent to Payment, Section 1, to read:

1. This Agreement is funded by 100% Federal funds from the State Opioid Response Grant, as awarded on 09/30/2018, by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI081685, and as awarded on 09/30/2020, by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI083326, and as awarded on 08/09/2021, by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI083326.

7. Modify Exhibit B Amendment #2, Methods and Conditions Precedent to Payment, Section 1, to read:

3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line item, as specified in Exhibit B-1, Budget through Exhibit B-7 Amendment #3 Budget, SOR II.

8. Modify Exhibit B, Amendment # 2, Methods and Conditions Precedent to Payment, Section 5., to read:

5. The Contractor shall submit an invoice and supporting backup documentation in a form satisfactory to the State by the twenty-fifth (25th) working day of the following month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The Contractor shall ensure the invoice is completed, dated and returned to the Department in order to initiate payment. Invoices shall be net any other revenue received towards the services billed in fulfillment of this agreement. The Contractor shall ensure:

5.1. Backup documentation includes, but is not limited to:

5.1.1. General Ledger showing revenue and expenses for the contract.

5.1.2. Timesheets and/or time cards that support the hours employees worked for wages reported under this contract.

5.1.2.1. Per 45 CFR Part 75.430(i)(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

5.1.2.2. Attestation and time tracking templates, which are available to the Department upon request.

5.1.3. Invoices supporting expenses reported.

5.1.3.1. Unallowable expenses include, but are not limited to:

5.1.3.1.1. Amounts belonging to other programs.

5.1.3.1.2. Amounts prior to effective date of contract.

5.1.3.1.3. Construction or renovation expenses.

5.1.3.1.4. Food or water for employees.

5.1.3.1.5. Directly or indirectly, to purchase, prescribe, or

provide marijuana or treatment using marijuana.

5.1.3.1.6. Fines, fees, or penalties.

5.1.3.1.7. Per SAMSHA requirements, meals are generally unallowable unless they are an integral part of a conference grant or specifically stated as an allowable expense in the FOA. Grant funds may be used for light snacks, not to exceed three dollars ($3.00) per person for clients.

5.1.3.1.8. Cell phones and cell phone minutes for clients.

5.1.4. Receipts for expenses within the applicable state fiscal year.

5.1.5. Cost center reports.

5.1.6. Profit and loss report.

5.1.7. Remittance Advices from the insurances billed. Remittance Advices do not need to be supplied with the invoice, but should be retained to be available upon request.

5.1.8. Information requested by the Department verifying allocation or offset based on third party revenue received.

5.1.9. Summaries of patient services revenue and operating revenue and other financial information as requested by the Department.

9. Add Exhibit B-7, Amendment #3 Budget, SOR II, which is attached hereto and incorporated by reference herein.

All terms and conditions of the Contract and prior amendments not modified by this Amendment remain in full force and effect. This Amendment shall be effective upon the date of Governor and Executive Council approval.

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

State of New Hampshire
Department of Health and Human Services

9/9/2021
Date

DocuSigned by:
Katja Fox
Name: Katja Fox
Title: Director

Mary Hitchcock Memorial Hospital

9/8/2021
Date

Edward Merrens
Name: Edward Merrens
Title: Chief Clinical Officer

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

OFFICE OF THE ATTORNEY GENERAL

9/9/2021
Date

DocuSigned by:
J. Christopher Marshall
Name: J. Christopher Marshall
Title: Assistant Attorney General

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Contractor Name: Mary Hitchcock Memorial Hospital

Project Title: Medication Assisted Treatment

Budget Period: SFY22 09/30/21-06/30/22

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 62,398.00	$ 19,343.00	$ 81,741.00	$ -	$ -	$ -	$ 62,398.00	$ 19,343.00	$ 81,741.00
2. Employee Benefits	$ 17,802.00	$ 5,519.00	$ 23,321.00	$ -	$ -	$ -	$ 17,802.00	$ 5,519.00	$ 23,321.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 80,200.00	$ 24,862.00	$ 105,062.00	$ -	$ -	$ -	$ 80,200.00	$ 24,862.00	$ 105,062.00
Indirect As A Percent of Direct		31.0%							

Contractor Initials EJM

Date 9/8/2021

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 MARY HITCHCOCK MEMORIAL HOSPITAL is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on August 07, 1889. 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: 68517

Certificate Number: 0005357410

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 26th day of April A.D. 2021.

William M. Gardner

Secretary of State

Dartmouth-Hitchcock
Dartmouth-Hitchcock Medical Center
1 Medical Center Drive
Lebanon, NH 03756
Dartmouth-Hitchcock.org

Dartmouth-Hitchcock

CERTIFICATE OF VOTE/AUTHORITY

I, Edward H. Stansfield, III, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital, do hereby certify that:

1. I am the duly elected Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital;
2. The following is a true and accurate excerpt from the December 7th, 2012 Bylaws of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital:

   ARTICLE I – Section A. Fiduciary Duty. Stewardship over Corporate Assets

   "In exercising this [fiduciary] duty, the Board may, consistent with the Corporation's Articles of Agreement and these Bylaws, delegate authority to the Board of Governors, Board Committees and various officers the right to give input with respect to issues and strategies, incur indebtedness, make expenditures, enter into contracts and agreements and take such other binding actions on behalf of the Corporation as may be necessary or desirable."
3. Article I – Section A, as referenced above, provides authority for the chief officers, including the Chief Executive Officer, the Chief Clinical Officer, and other officers, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital to sign and deliver, either individually or collectively, on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.
4. Edward J. Merrens, MD is the Chief Clinical Officer of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital and therefore has the authority to enter into contracts and agreements on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.

IN WITNESS WHEREOF, I have hereunto set my hand as the Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital this 17 day of August, 2021

Edward H. Stansfield, III, Board Chair

STATE OF NH

COUNTY OF GRAFTON

The foregoing instrument was acknowledged before me this 17th day of August, 2021, by Edward Stansfield.

LAURA K. RONDEAU
NOTARY PUBLIC
STATE OF NEW HAMPSHIRE
- MY COMMISSION EXPIRES APRIL 19, 2022 -

Notary Public
My Commission Expires: April 19, 2022

CERTIFICATE OF INSURANCE

DATE: August 30, 2021

COMPANY AFFORDING COVERAGE
Hamden Assurance Risk Retention Group, Inc.
P.O. Box 1687
30 Main Street, Suite 330
Burlington, VT 05401

INSURED
Mary Hitchcock Memorial Hospital
One Medical Center Drive
Lebanon, NH 03756
(603)653-6850

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies below.

COVERAGES

The Policy listed below has been issued to the Named Insured above for the Policy Period notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued. The insurance afforded by the policy is subject to all the terms, exclusions and conditions of the policy. Limits shown may have been reduced by paid claims.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
GENERAL LIABILITY	0002021-A	7/1/2021	7/1/2022	EACH OCCURRENCE	$1,000,000
				DAMAGE TO RENTED PREMISES	$1,000,000
X CLAIMS MADE				MEDICAL EXPENSES	N/A
				PERSONAL & ADV INJURY	$1,000,000
OCCURRENCE				GENERAL AGGREGATE	
OTHER				PRODUCTS-COMP/OP AGG	$1,000,000
PROFESSIONAL LIABILITY	0002021-A	07/01/2021	07/01/2022	EACH CLAIM	$1,000,000
X CLAIMS MADE				ANNUAL AGGREGATE	$3,000,000
OCCURENCE					
OTHER					

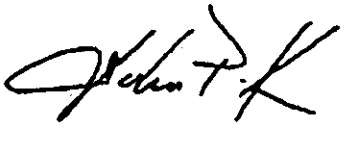
DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTIONS)
Certificate is issued as evidence of insurance.

CERTIFICATE HOLDER

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

CANCELLATION
Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 DAYS written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

AUTHORIZED REPRESENTATIVES



DARTHIT-01 ASTOBERT

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 6/30/2021

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

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

PRODUCER License # 1780862 HUB International New England 275 US Route 1 Cumberland Foreside, ME 04110	CONTACT NAME: Angela Columbus PHONE (A/C, No, Ext): (774) 233-6204 FAX (A/C, No): E-MAIL ADDRESS: Angela.Columbus@hubinternational.com
	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Safety National Casualty Corporation — 15105
INSURED Dartmouth-Hitchcock Health 1 Medical Center Dr. Lebanon, NH 03756	INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
A	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N ☐ If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		AGC4065185	7/1/2021	7/1/2022	X PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

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

Evidence of Workers Compensation coverage for

Cheshire Medical Center
Dartmouth-Hitchcock Health
Mary Hitchcock Memorial Hospital
Alice Peck Day Memorial Hospital
New London Hospital Association
Mt. Ascutney Hospital and Health Center

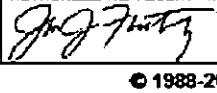
CERTIFICATE HOLDER

NH DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE



Dartmouth-Hitchcock

Dartmouth-Hitchcock

Dartmouth-Hitchcock (D-H) is comprised of the Dartmouth-Hitchcock Medical Center and several clinics throughout New Hampshire and Vermont. Our physicians and researchers collaborate with Geisel School of Medicine scientists and faculty as well as other leading health care organizations to develop new treatments at the cutting edge of medical practice bringing the latest medical discoveries to the patient.

Dartmouth-Hitchcock includes:

Dartmouth-Hitchcock Medical Center (DHMC)

DHMC is the state's only academic medical center, and the only Level I Adult and Pediatric Trauma Center in New Hampshire. The Dartmouth-Hitchcock Advanced Response Team (DHART), based in Lebanon and Manchester, provides ground and air medical transportation to communities throughout northern New England. DHMC was named in 2020 as the #1 hospital in New Hampshire by U.S. News & World Report (https://health.usnews.com/best-hospitals/area/nh), and recognized for high performance in nine clinical specialties, procedures, and conditions.

The Dartmouth-Hitchcock Clinic

The Dartmouth-Hitchcock Clinic is a network of primary and speciality care physicians located throughout New Hampshire and Vermont, with major community group practices in Lebanon, Concord, Manchester, Nashua, and Keene, NH, and Bennington, VT.

Mary Hitchcock Memorial Hospital

Mary Hitchcock Memorial Hospital is New Hampshire's only teaching hospital, with an inpatient capacity of 396 beds.

Children's Hospital at Dartmouth-Hitchcock (CHaD)

CHaD is New Hampshire's only children's hospital and a member of the Children's Hospital Association, providing advanced pediatric inpatient, outpatient and surgical services at DHMC in Lebanon as well as in Bedford, Concord, Manchester, Nashua, and Dover, NH.

Norris Cotton Cancer Center (NCCC)

NCCC is a designated Comprehensive Cancer Center by the National Cancer Institute, and is one of the premier facilities for cancer treatment, research, prevention, and education. Interdisciplinary teams, devoted to the treatment of specific types of cancer, work together to care for patients of all ages in Lebanon, Manchester, Nashua, Keene, NH, and St. Johnsbury, VT.

Our mission, vision, and values

Our mission

We advance health through research, education, clinical practice and community partnerships, providing each person the best care, in the right place, at the right time, every time.

Our vision

Achieve the healthiest population possible, leading the transformation of health care in our region and setting the standard for our nation.

Our values

- Respect
- Integrity
- Commitment
- Transparency
- Trust
- Teamwork
- Stewardship
- Community

Learn more about us

- Facts and Figures
- Community Outreach
- Collaborations
- Population Health
- Awards and Honors
- History

Dartmouth-Hitchcock Health and Subsidiaries

Report on Federal Awards in Accordance With the Uniform Guidance

June 30, 2019

EIN #02–0222140

Dartmouth-Hitchcock Health and Subsidiaries
Index
June 30, 2019

Part I

Financial Statements and Schedule of Expenditures of Federal Awards

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Report of Independent Auditors

To the Board of Trustees of
Dartmouth-Hitchcock Health and subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dartmouth-Hitchcock Health and its subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 2019 and 2018, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

pwc

Opinion

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

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Health System changed the manner in which it accounts for revenue recognition from contracts with customers and the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for-profit entity in 2019. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of its operations, changes in net assets and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, changes in net assets and cash flows of the individual companies.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2019 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the consolidated financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In

our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019 on our consideration of the Health System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2019. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health System's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 26, 2019

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Balance Sheets
June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Assets		
Current assets		
Cash and cash equivalents	$ 143,587	$ 200,169
Patient accounts receivable, net of estimated uncollectible of $132,228 at June 30, 2018 (Note 4)	221,125	219,228
Prepaid expenses and other current assets	95,495	97,502
Total current assets	460,207	516,899
Assets limited as to use (Notes 5 and 7)	876,249	706,124
Other investments for restricted activities (Notes 5 and 7)	134,119	130,896
Property, plant, and equipment, net (Note 6)	621,256	607,321
Other assets	124,471	108,785
Total assets	$ 2,216,302	$ 2,070,025
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt (Note 10)	$ 10,914	$ 3,464
Current portion of liability for pension and other postretirement plan benefits (Note 11)	3,468	3,311
Accounts payable and accrued expenses (Note 13)	113,817	95,753
Accrued compensation and related benefits	128,408	125,576
Estimated third-party settlements (Note 4)	41,570	41,141
Total current liabilities	298,177	269,245
Long-term debt, excluding current portion (Note 10)	752,180	752,975
Insurance deposits and related liabilities (Note 12)	58,407	55,516
Liability for pension and other postretirement plan benefits, excluding current portion (Note 11)	281,009	242,227
Other liabilities	124,136	88,127
Total liabilities	1,513,909	1,408,090
Commitments and contingencies (Notes 4, 6, 7, 10, and 13)		
Net assets		
Net assets without donor restrictions (Note 9)	559,933	524,102
Net assets with donor restrictions (Notes 8 and 9)	142,460	137,833
Total net assets	702,393	661,935
Total liabilities and net assets	$ 2,216,302	$ 2,070,025

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Operating revenue and other support		
Patient service revenue	$ 1,999,323	$ 1,899,095
Provision for bad debts (Notes 2 and 4)	-	47,367
Net patient service revenue	1,999,323	1,851,728
Contracted revenue (Note 2)	75,017	54,969
Other operating revenue (Notes 2 and 5)	210,698	148,946
Net assets released from restrictions	14,105	13,461
Total operating revenue and other support	2,299,143	2,069,104
Operating expenses		
Salaries	1,062,551	989,263
Employee benefits	251,591	229,683
Medical supplies and medications	407,875	340,031
Purchased services and other	323,435	291,372
Medicaid enhancement tax (Note 4)	70,061	67,692
Depreciation and amortization	88,414	84,778
Interest (Note 10)	25,514	18,822
Total operating expenses	2,229,441	2,021,641
Operating income (loss)	69,702	47,463
Nonoperating gains (losses)		
Investment income, net (Note 5)	40,052	40,387
Other losses, net (Note 10)	(3,562)	(2,908)
Loss on early extinguishment of debt	(87)	(14,214)
Loss due to swap termination	-	(14,247)
Total nonoperating gains, net	36,403	9,018
Excess of revenue over expenses	$ 106,105	$ 56,481

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Net assets without donor restrictions		
Excess of revenue over expenses	$ 106,105	$ 56,481
Net assets released from restrictions	1,769	16,313
Change in funded status of pension and other postretirement benefits (Note 11)	(72,043)	8,254
Other changes in net assets	-	(185)
Change in fair value of interest rate swaps (Note 10)	-	4,190
Change in interest rate swap effectiveness	-	14,102
Increase in net assets without donor restrictions	35,831	99,155
Net assets with donor restrictions		
Gifts, bequests, sponsored activities	17,436	14,171
Investment income, net	2,682	4,354
Net assets released from restrictions	(15,874)	(29,774)
Contribution of assets with donor restrictions from acquisition	383	-
Increase (decrease) in net assets with donor restrictions	4,627	(11,249)
Change in net assets	40,458	87,906
Net assets		
Beginning of year	661,935	574,029
End of year	$ 702,393	$ 661,935

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018

(in thousands of dollars)	2019	2018
Cash flows from operating activities		
Change in net assets	$ 40,458	$ 87,906
Adjustments to reconcile change in net assets to net cash provided by operating and nonoperating activities		
Change in fair value of interest rate swaps	-	(4,897)
Provision for bad debt	-	47,367
Depreciation and amortization	88,770	84,947
Change in funded status of pension and other postretirement benefits	72,043	(8,254)
(Gain) on disposal of fixed assets	(1,101)	(125)
Net realized gains and change in net unrealized gains on investments	(31,397)	(45,701)
Restricted contributions and investment earnings	(2,292)	(5,460)
Proceeds from sales of securities	1,167	1,531
Loss from debt defeasance	-	14,214
Changes in assets and liabilities		
Patient accounts receivable, net	(1,803)	(29,335)
Prepaid expenses and other current assets	2,149	(8,299)
Other assets, net	(9,052)	(11,665)
Accounts payable and accrued expenses	17,898	19,693
Accrued compensation and related benefits	2,335	10,665
Estimated third-party settlements	429	13,708
Insurance deposits and related liabilities	2,378	4,556
Liability for pension and other postretirement benefits	(33,104)	(32,399)
Other liabilities	12,267	(2,421)
Net cash provided by operating and nonoperating activities	161,145	136,031
Cash flows from investing activities		
Purchase of property, plant, and equipment	(82,279)	(77,598)
Proceeds from sale of property, plant, and equipment	2,188	-
Purchases of investments	(361,407)	(279,407)
Proceeds from maturities and sales of investments	219,996	273,409
Cash received through acquisition	4,863	-
Net cash used in investing activities	(216,639)	(83,596)
Cash flows from financing activities		
Proceeds from line of credit	30,000	50,000
Payments on line of credit	(30,000)	(50,000)
Repayment of long-term debt	(29,490)	(413,104)
Proceeds from issuance of debt	26,338	507,791
Repayment of interest rate swap	-	(16,019)
Payment of debt issuance costs	(228)	(4,892)
Restricted contributions and investment earnings	2,292	5,460
Net cash (used in) provided by financing activities	(1,088)	79,236
(Decrease) increase in cash and cash equivalents	(56,582)	131,671
Cash and cash equivalents		
Beginning of year	200,169	68,498
End of year	$ 143,587	$ 200,169
Supplemental cash flow information		
Interest paid	$ 23,977	$ 18,029
Net assets acquired as part of acquisition, net of cash aquired	(4,863)	-
Noncash proceeds from issuance of debt	-	137,281
Use of noncash proceeds to refinance debt	-	137,281
Construction in progress included in accounts payable and accrued expenses	1,546	1,569
Equipment acquired through issuance of capital lease obligations	-	17,670
Donated securities	1,167	1,531

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

1. Organization and Community Benefit Commitments

Dartmouth-Hitchcock Health (D-HH) serves as the sole corporate member of the following entities: Dartmouth-Hitchcock Clinic and Subsidiaries (DHC), Mary Hitchcock Memorial Hospital and Subsidiaries (MHMH), (DHC and MHMH together are referred to as D-H), The New London Hospital Association and Subsidiaries (NLH), Windsor Hospital Corporation (d/b/a Mt. Ascutney Hospital and Health Center) and Subsidiaries (MAHHC), Cheshire Medical Center and Subsidiaries (Cheshire), Alice Peck Day Memorial Hospital and, effective July 1, 2018, Subsidiary (APD), and the Visiting Nurse and Hospice for Vermont and New Hampshire and Subsidiaries (VNH). The "Health System" consists of D-HH, its members and their subsidiaries.

The Health System currently operates one tertiary, one community and three acute care (critical access) hospitals in New Hampshire (NH) and Vermont (VT). One facility provides inpatient and outpatient rehabilitation medicine and long-term care. The Health System also operates multiple physician practices, a nursing home, a continuing care retirement community, and a home health and hospice service. The Health System operates a graduate level program for health professions and is the principal teaching affiliate of the Geisel School of Medicine (Geisel), a component of Dartmouth College.

D-HH, Dartmouth-Hitchcock Clinic, Mary Hitchcock Memorial Hospital, The New London Hospital Association, Cheshire Medical Center, and Alice Peck Day Memorial Hospital are NH not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Windsor Hospital Corporation and the Visiting Nurse and Hospice of VT and NH are VT not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the IRC.

Community Benefits
The mission of the Health System is to advance health through clinical practice and community partnerships, research and education, providing each person the best care, in the right place, at the right time, every time.

Consistent with this mission, the Health System provides high quality, cost effective, comprehensive, and integrated healthcare to individuals, families, and the communities it serves regardless of a patient's ability to pay. The Health System actively supports community-based healthcare and promotes the coordination of services among healthcare providers and social services organizations. In addition, the Health System also seeks to work collaboratively with other area healthcare providers to improve the health status of the region. As a component of an integrated academic medical center, the Health System provides significant support for academic and research programs.

Certain member hospitals of the Health System file annual Community Benefits Reports with the State of NH which outline the community and charitable benefits each provides. VT hospitals are not required by law to file a state community benefit report. The categories used in the Community Benefit Reports to summarize these benefits are as follows:

- *Community Health Services* include activities carried out to improve community health and could include community health education (such as classes, programs, support groups, and materials that promote wellness and prevent illness), community-based clinical services (such as free clinics and health screenings), and healthcare support services (enrollment assistance in public programs, assistance in obtaining free or reduced costs medications, telephone information services, or transportation programs to enhance access to care, etc.).

- *Health Professions Education* includes uncompensated costs of training medical students, Residents, nurses, and other health care professionals.

- *Subsidized health services* are services provided by the Health System, resulting in financial losses that meet the needs of the community and would not otherwise be available unless the responsibility was assumed by the government.

- *Research support and other grants* represent costs in excess of awards for numerous health research and service initiatives awarded to the organizations within the Health System.

- *Financial Contributions* include financial contributions of cash, as well as in-kind contributions such as time, supplies, and expertise to local organizations to address community health needs.

- *Community-Building Activities* include expenses incurred to support the development of programs and partnerships intended to address public health challenges as well as social and economic determinants of health. Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement.

- *Community Benefit Operations* includes costs associated with staff dedicated to administering benefit programs, community health needs assessment costs, and other costs associated with community benefit planning and operations.

- *Charity Care and Costs of Government Sponsored Health Care* includes losses, at-cost, incurred by providing health care services to persons qualifying for hospital financial assistance programs, and uncompensated costs of providing health care services to patients who are Medicaid Beneficiaries.

- *The uncompensated cost of care for Medicaid* patients reported in the unaudited Community Benefits Reports for 2018 was approximately $139,683,000. The 2019 Community Benefits Reports are expected to be filed in February 2020.

The following table summarizes the value of the community benefit initiatives outlined in the Health System's most recently filed Community Benefit Reports for the year ended June 30, 2018:

(in thousands of dollars)

Government-sponsored healthcare services	$	246,064
Health professional education		33,067
Charity care		13,243
Subsidized health services		11,993
Community health services		6,570
Research		5,969
Community building activities		2,540
Financial contributions		2,360
Community benefit operations		1,153
Total community benefit value	$	322,959

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and have been prepared consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954, *Healthcare Entities*, which addresses the accounting for healthcare entities. The net assets, revenue, expenses, and gains and losses of healthcare entities are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets without donor restrictions are amounts not subject to donor-imposed stipulations and are available for operations. Net assets with donor restrictions are those whose use has been limited by donors to a specific time period or purpose, or whose use has been restricted by donors to be maintained in perpetuity. All significant intercompany transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant areas that are affected by the use of estimates include implicit and explicit pricing concessions, valuation of certain investments, estimated third-party settlements, insurance reserves, and pension obligations. Actual results may differ from those estimates.

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets include the excess of revenue over expenses. Operating revenues consist of those items attributable to the care of patients, including contributions and investment income on investments of net assets without donor restrictions, which are utilized to provide charity and other operational support. Peripheral activities, including contribution of net assets without donor restrictions from acquisitions, loss on early extinguishment of debt, loss due to swap termination, realized gains/losses on sales of investment securities and changes in unrealized gains/losses in investments are reported as nonoperating gains (losses).

Changes in net assets without donor restrictions which are excluded from the excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), change in funded status of pension and other postretirement benefit plans, and the effective portion of the change in fair value of interest rate swaps.

Charity Care

The Health System provides care to patients who meet certain criteria under their financial assistance policies without charge or at amounts less than their established rates. Because the Health System does not anticipate collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Health System grants credit without collateral to patients. Most are local residents and are insured under third-party arrangements. The amount of charges for implicit price concessions is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators (Notes 1 and 4).

Patient Service Revenue
The Health System applies the accounting provisions of ASC 606, *Revenue from Contracts with Customers* (ASC 606). Patient service revenue is reported at the amount of consideration to which the Health System expects to be entitled from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and implicit pricing concessions. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates change or final settlements are determined (Note 4).

Contracted Revenue
The Health System has various Professional Service Agreements (PSAs), pursuant to which certain organizations purchase services of personnel employed by the Health System and also lease space and equipment. Revenue pursuant to these PSAs and certain facility and equipment leases and other professional service contracts have been classified as contracted revenue in the accompanying consolidated statements of operations and changes in net assets.

Other Revenue
The Health System recognizes other revenue which is not related to patient medical care but is central to the day-to-day operations of the Health System. Other revenue primarily consists of revenue from retail pharmacy, which the Health System records as customer revenues in the amounts that reflect the consideration to which it expects to be entitled in exchange for the prescription. Other revenue also includes joint operating agreements, grant revenue, cafeteria sales and other support service revenue.

Cash Equivalents
Cash equivalents include investments in highly liquid investments with maturities of three months or less when purchased, excluding amounts where use is limited by internal designation or other arrangements under trust agreements or by donors.

Investments and Investment Income
Investments in equity securities with readily determinable fair values, mutual funds and pooled/commingled funds, and all investments in debt securities are considered to be trading securities reported at fair value with changes in fair value included in the excess of revenues over expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Note 7).

Investments in pooled/commingled investment funds, private equity funds and hedge funds that represent investments where the Health System owns shares or units of funds rather than the underlying securities in that fund are valued using the equity method of accounting with changes in value recorded in the excess of revenues over expenses. All investments, whether held at fair value or under the equity method of accounting, are reported at what the Health System believes to be the amount they would expect to receive if it liquidated its investments at the balance sheet dates on a nondistressed basis.

Certain members of the Health System are partners in a NH general partnership established for the purpose of operating a master investment program of pooled investment accounts. Substantially all of the Health System's board-designated and assets with donor restrictions, such as endowment funds, were invested in these pooled funds by purchasing units based on the market value of the pooled funds at the end of the month prior to receipt of any new additions to the funds. Interest, dividends, and realized and unrealized gains and losses earned on pooled funds are allocated monthly based on the weighted average units outstanding at the prior month-end.

Investment income or losses (including change in unrealized and realized gains and losses on investments, change in value of equity method investments, interest, and dividends) are included in the excess of revenue over expenses and classified as nonoperating gains and losses, unless the income or loss is restricted by donor or law (Note 9).

Fair Value Measurement of Financial Instruments
The Health System estimates fair value based on a valuation framework that uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy, as defined by ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities.

Level 2 — Prices other than quoted prices in active markets that are either directly or indirectly observable as of the date of measurement.

Level 3 — Prices or valuation techniques that are both significant to the fair value measurement and unobservable.

The Health System applies the accounting provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)* (ASU 2009-12). ASU 2009-12 allows for the estimation of fair value of investments for which the investment does not have a readily determinable fair value, to use net asset value (NAV) per share or its equivalent as a practical expedient, subject to the Health System's ability to redeem its investment.

The carrying amount of patient accounts receivable, prepaid and other current assets; accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments.

Property, Plant, and Equipment
Property, plant, and equipment, and other real estate are stated at cost at the time of purchase or fair value at the time of donation, less accumulated depreciation. The Health System's policy is to capitalize expenditures for major improvements and to charge expense for maintenance and repair expenditures which do not extend the lives of the related assets. The provision for depreciation has been determined using the straight-line method at rates which are intended to amortize the cost of assets over their estimated useful lives which range from 10 to 40 years for buildings and improvements, 2 to 20 years for equipment, and the shorter of the lease term, or 5 to 12 years, for leasehold improvements. Certain software development costs are amortized using the straight-line method over a period of up to 10 years. Net interest cost incurred on borrowed funds during the

period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

The fair value of a liability for legal obligations associated with asset retirements is recognized in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When a liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost associated with the retirement is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the actual cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets.

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

Bond Issuance Costs
Bond issuance costs, classified on the consolidated balance sheets within long-term debt, are amortized over the term of the related bonds. Amortization is recorded within interest expense in the consolidated statements of operations and changes in net assets using the straight-line method which approximates the effective interest method.

Intangible Assets and Goodwill
The Health System records within other assets on the consolidated balance sheets goodwill and intangible assets such as trade names and leases-in-place. The Health System considers trade names and goodwill to be indefinite-lived assets, assesses them at least annually for impairment or more frequently if certain events or circumstances warrant and recognizes impairment charges for amounts by which the carrying values exceed their fair values. The Health System has recorded $10,524,000 and $2,462,000 as intangible assets associated with its affiliations as of June 30, 2019 and 2018, respectively.

Derivative Instruments and Hedging Activities
The Health System applies the provisions of ASC 815, *Derivatives and Hedging*, to its derivative instruments, which require that all derivative instruments be recorded at their respective fair values in the consolidated balance sheets.

On the date a derivative contract is entered into, the Health System designates the derivative as a cash-flow hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability. For all hedge relationships, the Health System formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking cash-flow hedges to specific assets and liabilities on the consolidated balance sheets, specific firm commitments or forecasted transactions. The Health System also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly

effective in offsetting changes in variability of cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in net assets without donor restrictions until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a cash flow hedge is reported in excess of revenue over expenses in the consolidated statements of operations and changes in net assets.

The Health System discontinues hedge accounting prospectively when it is determined: (a) the derivative is no longer effective in offsetting changes in the cash flows of the hedged item; (b) the derivative expires or is sold, terminated, or exercised; (c) the derivative is undesignated as a hedging instrument because it is unlikely that a forecasted transaction will occur; (d) a hedged firm commitment no longer meets the definition of a firm commitment; and (e) management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued, the Health System continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in excess of revenue over expenses.

Gifts

Gifts without donor restrictions are recorded net of related expenses as nonoperating gains. Conditional promises to give and indications of intentions to give to the Health System are reported at fair value at the date the gift is received. Gifts are reported with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09 - *Revenue from Contracts with Customers (ASC 606)* and in August 2015, the FASB amended the guidance to defer the effective date of this standard by one year. ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Health System adopted ASU 2014-09 effective July 1, 2018 under the modified retrospective method, and has provided the new disclosures required post implementation. For example, patient accounts receivable are shown net of the allowance for doubtful accounts of approximately $132,228,000 as of June 30, 2018 on the consolidated balance sheet. If an allowance for doubtful accounts had been presented as of June 30, 2019, it would have been approximately $121,544,000. While the adoption of ASU 2014-09 has had a material effect on the presentation of revenues in the Health System's consolidated statements of operations and changes in net assets, and has had an impact on certain disclosures, it has not materially impacted the financial position, results of operations or cash flows. Refer to Note 4, Patient Service Revenue and Accounts Receivable, for further details.

In February 2016, the FASB issued ASU 2016-02 – *Leases (Topic 842)*, which requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal years beginning after December 15, 2018, or fiscal year 2020 for the Health System. The Health System is evaluating the impact of the new guidance on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01- *Recognition and Measurement of Financial Assets and Financial Liabilities*, which address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This guidance allows an entity to choose, investment-by-investment, to report an equity investment that neither has a readily determinable fair value, nor qualifies for the practical expedient for fair value estimation using NAV, at its cost minus impairment (if any), plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issue. Impairment of such investments must be assessed qualitatively at each reporting period. Entities must disclose their financial assets and liabilities by measurement category and form of asset either on the face of the balance sheet or in the accompanying notes. The ASU is effective for annual reporting periods beginning after December 15, 2018 or fiscal year 2020 for the Health System. The provision to eliminate the requirement to disclose the fair value of financial instruments measured at cost (such as the fair value of debt) was early adopted during the year ended June 30, 2017.

In August 2016, the FASB issued ASU 2016-14 - *Presentation of Financial Statements for Not-for-Profit Entities*. The new pronouncement amends certain financial reporting requirements for not-for-profit entities. It reduces the number of classes of net assets from three to two: net assets with donor restrictions includes amount previously disclosed as both temporarily and permanently restricted net assets, net assets without donor restrictions includes amounts previously disclosed as unrestricted net assets. It expands the disclosure of expenses by both natural and functional classification. It adds quantitative and qualitative disclosures about liquidity and availability of resources. The ASU is effective for the Health System for the year ending June 30, 2019. The Health System has adopted this ASU on a retrospective basis, except for the presentation of expenses based on natural and functional classification and the discussion of liquidity, as permitted in the ASU. Please refer to Note 14, Functional Expenses, and Note 15, Liquidity.

In June 2018, the FASB issued ASU 2018-08, Not–for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The new pronouncement was intended to assist entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and whether a contribution is conditional. This ASU was effective for the Health System on July 1, 2018 on a modified prospective basis and did not have a significant impact on the consolidated financial statements of the Health System.

3. Acquisitions

Effective July 1, 2018, Alice Peck Day Memorial Hospital became the sole corporate member of APD LifeCare Center Inc. (LifeCare). LifeCare owns and operates Harvest Hill, an assisted living facility, the Woodlands, a residential living community and the Elizabeth S. Hughes Care Unit, which provides hospice care.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, Alice Peck Day Memorial Hospital recorded goodwill related to the acquisition of LifeCare of approximately $5,131,000. Restricted contribution income of $383,000 was recorded within net assets with donor restrictions in the accompanying consolidated statement of changes in net assets. Included in the transaction was LifeCare's cash balance of $4,863,000. No consideration was exchanged for the net assets assumed and acquisition costs were expensed as incurred. LifeCare's financial position, results of operations and changes in net assets are included in the consolidated financial statements as of and for the year ended June 30, 2019.

4. Patient Service Revenue and Accounts Receivable

The Health System reports patient service revenue at amounts that reflect the consideration to which it expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payers (including managed care payers and government programs), and others; and they include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Health System bills patients and third-party payers several days after the services were performed or shortly after discharge. Revenue is recognized as performance obligations are satisfied under contracts by providing healthcare services to patients.

The Health System determines performance obligations based on the nature of the services provided. Revenues for performance obligations satisfied over time are recognized based on actual charges incurred in relation to total expected charges as this method provides a reasonable estimate of the transfer of services over the term of performance obligations based on inputs needed to satisfy the obligations. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. For inpatient services, performance obligations are measured from admission to the point when there are no further services required for the patient, which is generally the time of discharge. For outpatient services and physician services, performance obligations are recognized at a point in time when the services are provided and no further patient services are deemed necessary.

Generally, the Health System's patient service performance obligations relate to contracts with a duration of less than one year, therefore the Health System has elected to apply the optional exemption provided in ASC 606-10-50-14a and, therefore, we are not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. This generally refers to inpatient services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Established charges represent gross charges. They are not the same as actual pricing, and they generally do not reflect what a hospital is ultimately entitled to for services it provides. Therefore, they are not displayed in the Health System's consolidated statements of operations and changes in net assets.

Hospitals are paid amounts negotiated with insurance companies or set by government entities, which are typically less than established or standard charges. Gross charges are used to calculate Medicare outlier payments and to determine certain elements of payment under managed care contracts. Gross charges are what hospitals charge all patients prior to the application of contractual adjustments and implicit price concessions.

Explicit Pricing Concessions
Revenues for the Health System under the traditional fee-for service Medicare and Medicaid programs are based on prospectively determined rates per discharge or visit, reasonable (allowable) cost, or prospective rates per episodic period, depending on the type of provider.

- Inpatient acute care services provided to Medicare program beneficiaries are paid using the prospective payment system ("PPS") to determine rates-per-discharge. These rates vary according to a patient classification system ("DRG"), based on diagnostic, clinical and other factors. In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system, based on a pre-determined amount for each outpatient procedure (APC), subject to various mandated modifications. Retrospectively determined cost-based revenues under these programs, such as indirect medical education, direct graduate medical education, disproportionate share hospital, transplant services, and bad debt reimbursement are based on the hospital's cost reports and are estimated using historical trends and current factors. The Health System's payments for inpatient services rendered to New Hampshire ("NH") and Vermont ("VT") Medicaid beneficiaries are based on PPS, while outpatient services are reimbursed on a retrospective cost basis or fee schedules for NH beneficiaries. VT outpatient beneficiaries are paid on a prospective basis per outpatient procedure.

- Inpatient acute, swing, and outpatient services furnished by critical access hospitals ("CAH") are reimbursed by Medicare at 101% of reasonable costs, subject to 2% sequestration, excluding ambulance services and inpatient hospice care.

- Providers of home health services to patients eligible for Medicare home health benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the patient at a rate determined by federal guidelines.

- Hospice services to patients eligible for Medicare hospice benefits are paid on a per diem basis, with no retrospective settlement, provided the aggregate annual Medicare reimbursement is below a predetermined aggregate capitated rate.

- The Health System's cost based services to Medicare and Medicaid are reimbursed during the year based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subject to audit of this report by Medicare and Medicaid auditors, as well as administrative and judicial review. Because the laws, regulations, and rule interpretations, governing Medicare and Medicaid reimbursement are complex and change frequently, the estimates recorded could change over time by material amounts.

- Revenues under Managed Care Plans (Plans) consist primarily of payment terms involving mutually agreed upon rates per diagnosis, discounted fee-for service rates, or similar contractual arrangements. These revenues are also subject to review and possible audit. The Plans are billed for patient services on an individual patient basis. An individual patient's bill is subject to adjustments in accordance with contractual terms in place with the Plans following their review and adjudication of each bill.

The Health System is not aware of any claims, disputes, or unsettled matters with any payer that would materially affect its revenues for which it has not adequately provided in the accompanying Health System's consolidated financial statements.

The Health System provides charity care to patients who are unable to pay for healthcare services they receive as determined by financial conditions. Patients who qualify receive partial or full adjustments to charges for services rendered. The Health System's policy is to treat amounts qualified as charity care as explicit price concessions and as such are not reported in net patient service revenue.

During fiscal year 2016, Vermont state legislation passed changes to the tax base for home health providers from 19.30% of core home health care services (primarily Medicaid services) with a cap of 6% of net patient service revenue to 3.63% of net patient revenue for fiscal year 2017 and fiscal year 2018. Home health provider tax paid, which is included in other operating expenses, was $628,000 and $737,000 in 2019 and 2018, respectively.

On June 30, 2014, the NH Governor signed into law a bi-partisan legislation reflecting an agreement between the State of NH and 25 NH hospitals on the Medicaid Enhancement Tax (MET) Senate Bill 369. As part of the agreement, the parties have agreed to resolve all pending litigation related to MET and Medicaid Rates, including the Catholic Medical Center Litigation, the Northeast Rehabilitation Litigation, 2014 DRA Refund Requests, and the State Rate Litigation. As part of the MET Agreement Effective July 1, 2014, a "Trust / Lock Box" dedicated funding mechanism will be established for receipt and distribution of all MET proceeds with all monies used exclusively to support Medicaid services.

On May 22, 2018, the State of New Hampshire and all New Hampshire hospitals (NH Hospitals) signed a new settlement agreement and multi-year plan for Disproportionate Share Hospital (DSH) payments, with provisions to create alternative payments should there be federal changes to the DSH program by the United States Congress. The agreement may change or limit federal matching funds for MET when used to support DSH payments to hospitals and the Medicaid program, or change the definition of Uncompensated Care (UCC) for purposes of calculating DSH or other allowable uncompensated care payments. The term of the agreement is through state fiscal year (SFY) 2024. Under the agreement, the NH Hospitals forgo approximately $28,000,000 of DSH payment for SFY 2018 and 2019, in consideration of the State agreeing to form a pool of funds to make directed payments or otherwise increase rates to hospitals for SFY 2020 through 2024. The Federal share of payments to NH Hospitals are contingent upon the receipt of matching funds from Centers for Medicare & Medicaid Services (CMS) in the covered years. In the event that, due to changes in federal law, the State is unable to make payments in a way that ensures the federal matching funds are available, the Parties will meet and confer to negotiate in good faith an appropriate amendment to this agreement consistent with the intent of this agreement. The State is required to maintain the UCC Dedicated Fund pursuant to earlier agreements. The agreement prioritizes payments of funds to critical access hospitals at 75% of allowable UCC, the remainder thereafter is distributed to other NH Hospitals in proportion to their allowable uncompensated care amounts. During the term of this agreement, the NH Hospitals are barred from bringing a new claim in federal or state court or at Department of Revenue Administration (DRA) related to the constitutionality of MET.

During the years ended June 30, 2019 and 2018, the Health System received DSH payments of approximately, $69,179,000 and $66,383,000, respectively. DSH payments are subject to audit pursuant to the agreement with the state and therefore, for the years ended June 30, 2019 and 2018, the Health System recognized as revenue DSH receipts of approximately $64,864,000 and approximately $54,469,000, respectively.

During the years ended June 30, 2019 and 2018, the Health System recorded State of NH Medicaid Enhancement Tax ("MET") and State of VT Provider tax of $70,061,000 and $67,692,000, respectively. The taxes are calculated at 5.5% for NH and 6% for VT of certain net patient service revenues in accordance with instructions received from the States. The Provider taxes are included in operating expenses in the consolidated statements of operations and changes in net assets.

Implicit Price Concessions
Generally, patients who are covered by third-party payer contracts are responsible for related co-pays, co-insurance and deductibles, which vary depending on the contractual obligations of patients. The Health System also provides services to uninsured patients and offers those patients a discount from standard charges. The Health System estimates the transaction price for patients with co-pays, co-insurance, and deductibles and for those who are uninsured based on historical collection experience and current market conditions. The discount offered to uninsured patients reduces the transaction price at the time of billing. The uninsured and patient responsible accounts, net of discounts recorded, are further reduced through implicit price concessions based on historical collection trends for similar accounts and other known factors that impact the estimation process. Subsequent changes to the estimate of transaction price are generally recorded as adjustments to net patient service revenue in the period of change.

The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Health System expects to collect based on collection history with similar patients. Although outcomes vary, the Health System's policy is to attempt to collect amounts due from patients, including co-pays, co-insurance and deductibles due from insurance at the time of service while complying with all federal and state statutes and regulations, including but not limited to, the Emergency Medical Treatment and Active Labor Act (EMTALA). Through various systems and processes the Health System estimates Medicare and Medicaid net patient service revenue and cost report settlements and accrues final expected settlements. For filed cost reports, the accrual is recorded based on those filings, subsequent activity, and on historical trends and other relevant evidence. For periods in which a cost report is yet to be filed, accruals are based on estimates of what is expected to be reported, and any trends and relevant evidence. Cost reports generally must be filed within five months of the closing period.

Settlements with third-party payers for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely amount. These settlements are estimated based on the terms of the payment agreement with the payer, correspondence from the payer and historical settlement activity, including assessments to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled or are no longer subject to such audits, reviews or investigations. As of June 30, 2019 and 2018, the Health System had $52,470,000 and $52,041,000, respectively, reserved for estimated third-party settlements.

For the years ended June 30, 2019 and 2018, additional increases (decreases) in revenue of $1,800,000 and ($5,604,000), respectively, was recognized due to changes in its prior years related to estimated third-party settlements.

Net operating revenues for the hospital operations of the PPS and CAH, and other business segments consist primarily of patient service revenues, principally for patients covered by Medicare, Medicaid, managed care and other health plans as well as patients covered under the Health System's uninsured discount and charity care programs.

The table below shows the Health System's sources of net operating revenues presented at the net transaction price for the years ended June 30, 2019 and 2018.

	2019		
(in thousands of dollars)	**PPS**	**CAH**	**Total**
Hospital			
Medicare	$ 456,197	$ 72,193	$ 528,390
Medicaid	134,727	12,794	147,521
Commercial	746,647	64,981	811,628
Self pay	8,811	2,313	11,124
	1,346,382	152,281	1,498,663
Professional			
Professional	454,425	23,707	478,132
VNH			22,528
Other revenue			285,715
Total operating revenue and other support	$ 1,800,807	$ 175,988	$ 2,285,038

	2018		
(in thousands of dollars)	**PPS**	**CAH**	**Total**
Hospital			
Medicare	$ 432,251	$ 76,522	$ 508,773
Medicaid	117,019	10,017	127,036
Commercial	677,162	65,916	743,078
Self pay	10,687	2,127	12,814
	1,237,119	154,582	1,391,701
Professional			
Professional	412,605	24,703	437,308
VNH			22,719
Other revenue			203,915
Total operating revenue and other support	$ 1,649,724	$ 179,285	$ 2,055,643

Accounts Receivable

The principal components of patient accounts receivable as of June 30, 2019 and 2018 are as follows:

(in thousands of dollars)	2019	2018
Patient accounts recivable	$ 221,125	$ 351,456
Less: Allowance for doubtful accounts	-	(132,228)
Patient accounts receivable	$ 221,125	$ 219,228

The following table categorizes payors into four groups based on their respective percentages of gross patient accounts receivable as of June 30, 2019 and 2018:

	2019	2018
Medicare	34 %	34 %
Medicaid	12	14
Commercial	41	40
Self pay	13	12
Patient accounts receivable	100 %	100 %

5. Investments

The composition of investments at June 30, 2019 and 2018 is set forth in the following table:

(in thousands of dollars)	2019	2018
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	$ 21,890	$ 8,558
U.S. government securities	91,492	50,484
Domestic corporate debt securities	196,132	109,240
Global debt securities	83,580	110,944
Domestic equities	167,384	142,796
International equities	128,909	106,668
Emerging markets equities	23,086	23,562
Real estate investment trust	213	816
Private equity funds	64,563	50,415
Hedge funds	32,287	32,831
	809,536	636,314
Investments held by captive insurance companies (Note 12)		
U.S. government securities	23,241	30,581
Domestic corporate debt securities	11,378	16,764
Global debt securities	10,080	4,513
Domestic equities	14,617	8,109
International equities	6,766	7,971
	66,082	67,938
Held by trustee under indenture agreement (Note 10)		
Cash and short-term investments	631	1,872
Total assets limited as to use	876,249	706,124
Other investments for restricted activities		
Cash and short-term investments	6,113	4,952
U.S. government securities	32,479	28,220
Domestic corporate debt securities	29,089	29,031
Global debt securities	11,263	14,641
Domestic equities	20,981	20,509
International equities	15,531	17,521
Emerging markets equities	2,578	2,155
Real estate investment trust	-	954
Private equity funds	7,638	4,878
Hedge funds	8,414	8,004
Other	33	31
Total other investments for restricted activities	134,119	130,896
Total investments	$ 1,010,368	$ 837,020

Investments are accounted for using either the fair value method or equity method of accounting, as appropriate on a case by case basis. The fair value method is used for all debt securities and equity securities that are traded on active markets and are valued at prices that are readily available in those markets. The equity method is used when investments are made in pooled/commingled investment funds that represent investments where shares or units are owned of pooled funds rather than the underlying securities in that fund. These pooled/commingled funds make underlying investments in securities from the asset classes listed above. All investments, whether the fair value or equity method of accounting is used, are reported at what the Health System believes to be the amount that the Health System would expect to receive if it liquidated its investments at the balance sheets date on a nondistressed basis.

The following tables summarize the investments by the accounting method utilized, as of June 30, 2019 and 2018. Accounting standards require disclosure of additional information for those securities accounted for using the fair value method, as shown in Note 7.

	2019		
(in thousands of dollars)	**Fair Value**	**Equity**	**Total**
Cash and short-term investments	$ 28,634	$ -	$ 28,634
U.S. government securities	147,212	-	147,212
Domestic corporate debt securities	164,996	71,603	236,599
Global debt securities	55,520	49,403	104,923
Domestic equities	178,720	24,262	202,982
International equities	76,328	74,878	151,206
Emerging markets equities	1,295	24,369	25,664
Real estate investment trust	213	-	213
Private equity funds	-	72,201	72,201
Hedge funds	-	40,701	40,701
Other	33	-	33
	$ 652,951	$ 357,417	$ 1,010,368

	2018		
(in thousands of dollars)	**Fair Value**	**Equity**	**Total**
Cash and short-term investments	$ 15,382	$ -	$ 15,382
U.S. government securities	109,285	-	109,285
Domestic corporate debt securities	95,481	59,554	155,035
Global debt securities	49,104	80,994	130,098
Domestic equities	157,011	14,403	171,414
International equities	60,002	72,158	132,160
Emerging markets equities	1,296	24,421	25,717
Real estate investment trust	222	1,548	1,770
Private equity funds	-	55,293	55,293
Hedge funds	-	40,835	40,835
Other	31	-	31
	$ 487,814	$ 349,206	$ 837,020

Investment income is comprised of the following for the years ended June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Net assets without donor restrictions		
Interest and dividend income, net	$ 11,333	$ 12,324
Net realized gains on sales of securities	17,419	24,411
Change in net unrealized gains on investments	12,283	4,612
	41,035	41,347
Net assets with donor restrictions		
Interest and dividend income, net	987	1,526
Net realized gains on sales of securities	2,603	1,438
Change in net unrealized gains on investments	(908)	1,390
	2,682	4,354
	$ 43,717	$ 45,701

For the years ended June 30, 2019 and 2018 investment income is reflected in the accompanying consolidated statements of operations and changes in net assets as operating revenue of approximately $983,000 and $960,000 and as nonoperating gains of approximately $40,052,000 and $40,387,000, respectively.

Private equity limited partnership shares are not eligible for redemption from the fund or general partner, but can be sold to third party buyers in private transactions that typically can be completed in approximately 90 days. It is the intent of the Health System to hold these investments until the fund has fully distributed all proceeds to the limited partners and the term of the partnership agreement expires. Under the terms of these agreements, the Health System has committed to contribute a specified level of capital over a defined period of time. Through June 30, 2019 and 2018, the Health System has committed to contribute approximately $164,319,000 and $137,219,000 to such funds, of which the Health System has contributed approximately $109,584,000 and $91,942,000 and has outstanding commitments of $54,735,000 and $45,277,000, respectively.

6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Land	$ 38,232	$ 38,058
Land improvements	42,607	42,295
Buildings and improvements	898,050	876,537
Equipment	888,138	818,902
Equipment under capital leases	15,809	20,966
	1,882,836	1,796,758
Less: Accumulated depreciation and amortization	1,276,746	1,200,549
Total depreciable assets, net	606,090	596,209
Construction in progress	15,166	11,112
	$ 621,256	$ 607,321

As of June 30, 2019, construction in progress primarily consists of an addition to the ambulatory surgical center located in Manchester, NH as well as renovations taking place at the various pharmacy locations to bring their facilities compliant with Regulation USP800. The estimated cost to complete the ambulatory surgical center at June 30, 2019 is approximately $59,000,000 over the next two fiscal years while the pharmacy renovation is estimated to cost approximately $6,300,000 over the next fiscal year.

The construction in progress reported as of June 30, 2018 for the building renovations taking place at the birthing pavilion in Lebanon, NH was completed during the first quarter of fiscal year 2019 and the information systems PeopleSoft project for Alice Peck Day Memorial Hospital and Cheshire was completed in the fourth quarter of fiscal year 2019.

Depreciation and amortization expense included in operating and nonoperating activities was approximately $88,496,000 and $84,729,000 for 2019 and 2018, respectively.

7. Fair Value Measurements

The following is a description of the valuation methodologies for assets and liabilities measured at fair value on a recurring basis:

Cash and Short-Term Investments
Consists of money market funds and are valued at net asset value (NAV) reported by the financial institution.

Domestic, Emerging Markets and International Equities
Consists of actively traded equity securities and mutual funds which are valued at the closing price reported on an active market on which the individual securities are traded (Level 1 measurements).

U.S. Government Securities, Domestic Corporate and Global Debt Securities
Consists of U.S. government securities, domestic corporate and global debt securities, mutual funds and pooled/commingled funds that invest in U.S. government securities, domestic corporate and global debt securities. Securities are valued based on quoted market prices or dealer quotes where available (Level 1 measurement). If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or, if necessary, matrix pricing from a third party pricing vendor to determine fair value (Level 2 measurements). Matrix prices are based on quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security. Investments in mutual funds are measured based on the quoted NAV as of the close of business in the respective active market (Level 1 measurements).

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Health System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth the consolidated financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2019 and 2018:

	2019					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 28,634	$ -	$ -	$ 28,634	Daily	1
U.S. government securities	147,212	-	-	147,212	Daily	1
Domestic corporate debt securities	34,723	130,273	-	164,996	Daily–Monthly	1–15
Global debt securities	28,412	27,108	-	55,520	Daily–Monthly	1–15
Domestic equities	171,318	7,402	-	178,720	Daily–Monthly	1–10
International equities	76,295	33	-	76,328	Daily–Monthly	1–11
Emerging market equities	1,295	-	-	1,295	Daily–Monthly	1–7
Real estate investment trust	213	-	-	213	Daily–Monthly	1–7
Other	-	33	-	33	Not applicable	Not applicable
Total investments	488,102	164,849	-	652,951		
Deferred compensation plan assets						
Cash and short-term investments	2,952	-	-	2,952		
U.S. government securities	45	-	-	45		
Domestic corporate debt securities	4,932	-	-	4,932		
Global debt securities	1,300	-	-	1,300		
Domestic equities	22,403	-	-	22,403		
International equities	3,576	-	-	3,576		
Emerging market equities	27	-	-	27		
Real estate	11	-	-	11		
Multi strategy fund	48,941	-	-	48,941		
Guaranteed contract	-	-	89	89		
Total deferred compensation plan assets	84,187	-	89	84,276	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,301	9,301	Not applicable	Not applicable
Total assets	$ 572,289	$ 164,849	$ 9,390	$ 746,528		

	2018					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 15,382	$ -	$ -	$ 15,382	Daily	1
U.S. government securities	109,285	-	-	109,285	Daily	1
Domestic corporate debt securities	41,488	53,993	-	95,481	Daily–Monthly	1–15
Global debt securities	32,874	16,230	-	49,104	Daily–Monthly	1–15
Domestic equities	157,011	-	-	157,011	Daily–Monthly	1–10
International equities	59,924	78	-	60,002	Daily–Monthly	1–11
Emerging market equities	1,296	-	-	1,296	Daily–Monthly	1–7
Real estate investment trust	222	-	-	222	Daily–Monthly	1–7
Other	-	31	-	31	Not applicable	Not applicable
Total investments	417,482	70,332	-	487,814		
Deferred compensation plan assets						
Cash and short-term investments	2,637	-	-	2,637		
U.S. government securities	38	-	-	38		
Domestic corporate debt securities	3,749	-	-	3,749		
Global debt securities	1,089	-	-	1,089		
Domestic equities	18,470	-	-	18,470		
International equities	3,584	-	-	3,584		
Emerging market equities	28	-	-	28		
Real estate	9	-	-	9		
Multi strategy fund	46,680	-	-	46,680		
Guaranteed contract	-	-	86	86		
Total deferred compensation plan assets	76,284	-	86	76,370	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,374	9,374	Not applicable	Not applicable
Total assets	$ 493,766	$ 70,332	$ 9,460	$ 573,558		

The following table is a rollforward of financial instruments classified by the Health System within Level 3 of the fair value hierarchy defined above.

	2019		
(in thousands of dollars)	Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,374	$ 86	$ 9,460
Net unrealized gains (losses)	(73)	3	(70)
Balances at end of year	$ 9,301	$ 89	$ 9,390

	2018		
(in thousands of dollars)	Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,244	$ 83	$ 9,327
Net unrealized gains	130	3	133
Balances at end of year	$ 9,374	$ 86	$ 9,460

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2019 and 2018.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Healthcare services	$ 20,140	$ 19,570
Research	26,496	24,732
Purchase of equipment	3,273	3,068
Charity care	12,494	13,667
Health education	19,833	18,429
Other	3,841	2,973
Investments held in perpetuity	56,383	55,394
	$ 142,460	$ 137,833

Income earned on donor restricted net assets held in perpetuity is available for these purposes.

9. Board Designated and Endowment Funds

Net assets include numerous funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the NH and VT Uniform Prudent Management of Institutional Funds Acts (UPMIFA or Act) for donor-restricted endowment funds as requiring the preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Health System's net assets with donor restrictions which are to be held in perpetuity consist of (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to be held in perpetuity, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. Collectively these amounts are referred to as the historic dollar value of the fund.

Net assets without donor restrictions include funds designated by the Board of Trustees to function as endowments and the income from certain donor-restricted endowment funds, and any accumulated investment return thereon, which pursuant to donor intent may be expended based on trustee or management designation. Net assets with donor restrictions that are temporary in nature, either restricted by time or purpose, include funds appropriated for expenditure pursuant to endowment and investment spending policies, certain expendable endowment gifts from donors, and any retained income and appreciation on donor-restricted endowment funds, which are restricted by the donor to a specific purpose or by law. When the restrictions on these funds have been met, the funds are reclassified to net assets without donor restrictions.

In accordance with the Act, the Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources available; and investment policies.

The Health System has endowment investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowment while ensuring that the purchasing power does not decline over time. The Health System targets a diversified asset allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, and hedge fund strategies to achieve its long-term return objectives within prudent risk constraints. The Health System's Investment Committee reviews the policy portfolio asset allocations, exposures, and risk profile on an ongoing basis.

The Health System, as a policy, may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to donor intent expressed in the gift instrument and the standard of prudence prescribed by the Act.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. Such market losses were not material as of June 30, 2019 and 2018.

Endowment net asset composition by type of fund consists of the following at June 30, 2019 and 2018:

	2019		
(in thousands of dollars)	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 78,268	$ 78,268
Board-designated endowment funds	31,421	-	31,421
Total endowed net assets	$ 31,421	$ 78,268	$ 109,689

	2018		
(in thousands of dollars)	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 78,197	$ 78,197
Board-designated endowment funds	29,506	-	29,506
Total endowed net assets	$ 29,506	$ 78,197	$ 107,703

Changes in endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

	2019		
(in thousands of dollars)	Without Donor Restrictions	With Donor Restrictions	Total
Balances at beginning of year	$ 29,506	$ 78,197	$ 107,703
Net investment return	1,184	2,491	3,675
Contributions	804	1,222	2,026
Transfers	(73)	(1,287)	(1,360)
Release of appropriated funds	-	(2,355)	(2,355)
Balances at end of year	$ 31,421	$ 78,268	$ 109,689

	2018		
(in thousands of dollars)	Without Donor Restrictions	With Donor Restrictions	Total
Balances at beginning of year	$ 26,389	$ 75,457	$ 101,846
Net investment return	3,112	4,246	7,358
Contributions	-	1,121	1,121
Transfers	5	(35)	(30)
Release of appropriated funds	-	(2,592)	(2,592)
Balances at end of year	$ 29,506	$ 78,197	$ 107,703

10. Long-Term Debt

A summary of long-term debt at June 30, 2019 and 2018 is as follows:

(in thousands of dollars)	2019	2018
Variable rate issues		
New Hampshire Health and Education facilities Authority (NHHEFA) revenue bonds		
Series 2018A, principal maturing in varying annual amounts, through August 2037 (1)	$ 83,355	$ 83,355
Fixed rate issues		
New Hampshire Health and Education facilities Authority revenue bonds		
Series 2018B, principal maturing in varying annual amounts, through August 2048 (1)	303,102	303,102
Series 2017A, principal maturing in varying annual amounts, through August 2040 (2)	122,435	122,435
Series 2017B, principal maturing in varying annual amounts, through August 2031 (2)	109,800	109,800
Series 2014A, principal maturing in varying annual amounts, through August 2022 (3)	26,960	26,960
Series 2018C, principal maturing in varying annual amounts, through August 2030 (4)	25,865	-
Series 2012, principal maturing in varying annual amounts, through July 2039 (5)	25,145	25,955
Series 2014B, principal maturing in varying annual amounts, through August 2033 (3)	14,530	14,530
Series 2016B, principal maturing in varying annual amounts, through August 2045 (6)	10,970	10,970
Total variable and fixed rate debt	$ 722,162	$ 697,107

A summary of long-term debt at June 30, 2019 and 2018 is as follows:

(in thousands of dollars)	2019	2018
Other		
Series 2010, principal maturing in varying annual amounts, through August 2040 (7)*	$ -	$ 15,498
Note payable to a financial institution payable in interest free monthly installments through July 2015; collateralized by associated equipment*	445	646
Note payable to a financial institution with entire principal due June 2029 that is collateralized by land and building. The note payable is interest free*	323	380
Mortgage note payable to the US Dept of Agriculture; monthly payments of $10,892 include interest of 2.375% through November 2046*	2,629	2,697
Obligations under capital leases	17,526	18,965
Total other debt	20,923	38,186
Total variable and fixed rate debt	722,162	697,107
Total long-term debt	743,085	735,293
Less: Original issue discounts and premiums, net	(25,542)	(26,862)
Bond issuance costs, net	5,533	5,716
Current portion	10,914	3,464
	$ 752,180	$ 752,975

* Represents nonobligated group bonds

Aggregate annual principal payments required under revenue bond agreements and capital lease obligations for the next five years ending June 30 and thereafter are as follows:

(in thousands of dollars)	
2020	$ 10,914
2021	10,693
2022	10,843
2023	7,980
2024	3,016
Thereafter	699,639
	$ 743,085

Dartmouth-Hitchcock Obligated Group (DHOG) Bonds
MHMH established the DHOG in 1993 for the original purpose of issuing bonds financed through NHHEFA or the "Authority". The members of the obligated group consist of D-HH, MHMH, DHC, Cheshire, NLH, MAHHC, and, effective August 15, 2018, APD. D-HH is designated as the obligated group agent.

Revenue Bonds issued by members of the DHOG are administered through notes registered in the name of the Bond Trustee and in accordance with the terms of a Master Trust Indenture. The Master Trust Indenture contains provisions permitting the addition, withdrawal, or consolidation of members of the DHOG under certain conditions. The notes constitute a joint and several obligation of the members of the DHOG (and any other future members of the DHOG) and are equally and ratably collateralized by a pledge of the members' gross receipts. The DHOG is also subject to certain annual covenants under the Master Trust Indenture, the most restrictive is the Annual Debt Service Coverage Ratio (1.10x).

(1) Series 2018A and Series 2018B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2018A and Series 2018B in February 2018. The Series 2018A Revenue Bonds were primarily used to refund a portion of Series 2015A and Series 2016A. The Series 2018B were primarily used to refund a portion of Series 2015A and Series 2016A, Revolving Line of Credit, Series 2012 Bank Loan and the Series 2015A and Series 2016A Swap terminations. A loss on the extinguishment of debt of approximately $578,000 was recognized in nonoperating gains (losses) on the statement of operations and changes in net assets, as a result of the refinancing. The interest on the Series 2018A Revenue Bonds is variable with a current interest rate of 5.00% and matures in variable amounts through 2037. The interest on the Series 2018B Revenue Bonds is fixed with an interest rate of 4.18% and matures in variable amounts through 2048.

(2) Series 2017A and Series 2017B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2017A and Series 2017B in December, 2017. The Series 2017A Revenue Bonds were primarily used to refund Series 2009 and Series 2010 and the Series 2017B Revenue Bonds were used to refund Series 2012A and Series 2012B. The interest on the Series 2017A Revenue Bonds is fixed with an interest rate of 5.00% and matures in variable amounts through 2040. The interest on the Series 2017B Revenue Bonds is fixed with an interest rate of 2.54% and matures in variable amounts through 2031.

(3) Series 2014A and Series 2014B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2014A and Series 2014B in August 2014. The proceeds from the Series 2014A and 2014B Revenue Bonds were used to partially refund the Series 2009 Revenue Bonds and to cover cost of issuance. Interest on the 2014A Revenue Bonds is fixed with an interest rate of 2.63% and matures at various dates through 2022. Interest on the Series 2014B Revenue Bonds is fixed with an interest rate of 4.00% and matures at various dates through 2033.

(4) Series 2018C Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2018C in August, 2018. The Series 2018C Revenue Bonds were used primarily to refinance the Series 2010 Revenue Bonds. The interest on the series 2018C Revenue Bonds is fixed with an interest rate of 3.22% and matures in variable amounts through 2030.

(5) Series 2012 Revenue Bonds

The NHHEFA issued $29,650,000 of tax-exempt Revenue Bonds, Series 2012. The proceeds of these bonds were used to refund 1998 and 2009 Series Bonds, to finance the settlement cost of the interest rate swap, and to finance the purchase of certain equipment and renovations. The bonds have fixed interest coupon rates ranging from 2.0% to 5.0% (a net interest cost of 3.96%), and matures in variable amounts through 2039.

(6) Series 2016B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2016B in July 2016 through a private placement with a financial institution. The Series 2016B Revenue Bonds were used to finance 2016 projects. The Series 2016B is fixed with an interest rate of 1.78% and matures at various dates through 2045.

Outstanding joint and several indebtedness of the DHOG at June 30, 2019 and 2018 approximates $722,162,000 and $697,107,000, respectively.

Non Obligated Group Bonds
(1) Series 2010 Revenue Bonds

The Business Finance Authority (BFA) of the State of NH issued Revenue Bonds, Series 2010. Interest is based on an annual percentage rate equal to the sum of (a) 69% of the 1-Month LIBOR rate plus (b) 1.8975/5. The Health System redeemed these bonds in August 2018.

The Health System Indenture agreements require establishment and maintenance of debt service reserves and other trustee held funds. Trustee held funds of approximately $631,000 and $1,872,000 at June 30, 2019 and 2018, respectively, are classified as assets limited as to use in the accompanying consolidated balance sheets (Note 5). The debt service reserves are mainly comprised of escrowed funds held for future principal and interest payments.

For the years ended June 30, 2019 and 2018 interest expense on the Health System's long term debt is reflected in the accompanying consolidated statements of operations and changes in net assets as operating expense of approximately $25,514,000 and $18,822,000 and other nonoperating losses of $3,784,000 and $2,793,000, respectively.

Swap Agreements
The Health System is subject to market risks such as changes in interest rates that arise from normal business operation. The Health System regularly assesses these risks and has established business strategies to provide natural offsets, supplemented by the use of derivative financial instruments to protect against the adverse effect of these and other market risks. The Health System has established clear policies, procedures, and internal controls governing the use of derivatives and does not use them for trading, investment, or other speculative purposes.

As of June 30, 2019 and 2018, there was no liability for interest rate swaps as all remaining swaps were terminated in February 2018. For the year ended June 30, 2018, the Health System recognized a nonoperating loss due to swap termination of $14,247,000 relating to the swap termination. The change in fair value during the year ended June 30, 2018 was a decrease of $4,897,000. For the year ended June 30, 2018 the Health System recognized a nonoperating gain of $145,000 resulting from hedge ineffectiveness and amortization of frozen swaps.

11. Employee Benefits

All eligible employees of the Health System are covered under various defined benefit and/or define contribution plans. In addition, certain members provide postretirement medical and life benefit plans to certain of its active and former employees who meet eligibility requirements. The postretirement medical and life plans are not funded.

All of the defined benefit plans within the Health System have been frozen and therefore there are no remaining participants earning benefits in any of the Health System's defined benefit plans.

The Health System continued to execute the settlement of obligations due to retirees in the defined benefit plans through bulk lump sum offerings or purchases of annuity contracts. The annuity purchases follow guidelines established by the Department of Labor (DOL). The Health System anticipates continued consideration and/or implementation of additional settlements over the next several years.

Defined Benefit Plans
Net periodic pension expense included in employee benefits in the consolidated statements of operations and changes in net assets is comprised of the components listed below for the years ended June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Service cost for benefits earned during the year	$ 150	$ 150
Interest cost on projected benefit obligation	47,814	47,190
Expected return on plan assets	(65,270)	(64,561)
Net loss amortization	10,357	10,593
Total net periodic pension expense	$ (6,949)	$ (6,628)

The following assumptions were used to determine net periodic pension expense as of June 30, 2019 and 2018:

	2019	2018
Discount rate	3.90 % – 4.60%	4.00 % – 4.30 %
Rate of increase in compensation	N/A	N/A
Expected long-term rate of return on plan assets	7.50%	7.50 % – 7.75 %

The following table sets forth the funded status and amounts recognized in the Health System's consolidated financial statements for the defined benefit pension plans at June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Change in benefit obligation		
Benefit obligation at beginning of year	$ 1,087,940	$ 1,122,615
Service cost	150	150
Interest cost	47,814	47,190
Benefits paid	(51,263)	(47,550)
Expenses paid	(170)	(172)
Actuarial (gain) loss	93,358	(34,293)
Settlements	(42,306)	-
Benefit obligation at end of year	1,135,523	1,087,940
Change in plan assets		
Fair value of plan assets at beginning of year	884,983	878,701
Actual return on plan assets	85,842	33,291
Benefits paid	(51,263)	(47,550)
Expenses paid	(170)	(172)
Employer contributions	20,631	20,713
Settlements	(42,306)	-
Fair value of plan assets at end of year	897,717	884,983
Funded status of the plans	(237,806)	(202,957)
Less: Current portion of liability for pension	(46)	(45)
Long term portion of liability for pension	(237,760)	(202,912)
Liability for pension	$ (237,760)	$ (202,912)

As of June 30, 2019 and 2018 the liability, for pension is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic pension expense and included in the change in net assets without donor restrictions include approximately $478,394,000 and $418,971,000 of net actuarial loss as of June 30, 2019 and 2018, respectively.

The estimated amounts to be amortized from net assets without donor restrictions into net periodic pension expense in fiscal year 2020 for net actuarial losses is $12,032,000.

The accumulated benefit obligation for the defined benefit pension plans was approximately $1,135,770,000 and $1,087,991,000 at June 30, 2019 and 2018, respectively.

The following table sets forth the assumptions used to determine the benefit obligation at June 30, 2019 and 2018:

	2019	2018
Discount rate	4.20% - 4.50%	4.20 % – 4.50 %
Rate of increase in compensation	N/A	N/A

The primary investment objective for the Plan's assets is to support the Pension liabilities of the Pension Plans for Employees of the Health System, by providing long-term capital appreciation and by also using a Liability Driven Investing ("LDI") strategy to partially hedge the impact fluctuating interest rates have on the value of the Plan's liabilities. As of both June 30, 2019 and 2018, it is expected that the LDI strategy will hedge approximately 60% of the interest rate risk associated with pension liabilities. To achieve the appreciation and hedging objectives, the Plans utilize a diversified structure of asset classes designed to achieve stated performance objectives measured on a total return basis, which includes income plus realized and unrealized gains and losses.

The range of target allocation percentages and the target allocations for the various investments are as follows:

	Range of Target Allocations	Target Allocations
Cash and short-term investments	0–5%	3 %
U.S. government securities	0–10	5
Domestic debt securities	20–58	38
Global debt securities	6–26	8
Domestic equities	5–35	19
International equities	5–15	11
Emerging market equities	3–13	5
Real estate investment trust funds	0–5	0
Private equity funds	0–5	0
Hedge funds	5–18	11

To the extent an asset class falls outside of its target range on a quarterly basis, the Health System shall determine appropriate steps, as it deems necessary, to rebalance the asset class.

The Boards of Trustees of the Health System, as Plan Sponsors, oversee the design, structure, and prudent professional management of the Health System's Plans' assets, in accordance with Board approved investment policies, roles, responsibilities and authorities and more specifically the following:

- Establishing and modifying asset class targets with Board approved policy ranges,
- Approving the asset class rebalancing procedures,
- Hiring and terminating investment managers, and
- Monitoring performance of the investment managers, custodians and investment consultants.

The hierarchy and inputs to valuation techniques to measure fair value of the Plans' assets are the same as outlined in Note 7. In addition, the estimation of fair value of investments in private equity and hedge funds for which the underlying securities do not have a readily determinable value is made using the NAV per share or its equivalent as a practical expedient. The Health System's Plans own interests in these funds rather than in securities underlying each fund and, therefore, are generally required to consider such investments as Level 2 or 3, even though the underlying securities may not be difficult to value or may be readily marketable.

The following table sets forth the Health System's Plans' investments and deferred compensation plan assets that were accounted for at fair value as of June 30, 2019 and 2018:

	2019					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 166	$ 18,232	$ -	$ 18,398	Daily	1
U.S. government securities	48,580	-	-	48,580	Daily–Monthly	1–15
Domestic debt securities	122,178	273,424	-	395,602	Daily–Monthly	1–15
Global debt securities	428	75,146	-	75,574	Daily–Monthly	1–15
Domestic equities	159,259	18,316	-	177,575	Daily–Monthly	1–10
International equities	17,232	77,146	-	94,378	Daily–Monthly	1–11
Emerging market equities	321	39,902	-	40,223	Daily–Monthly	1–17
REIT funds	357	2,883	-	3,240	Daily–Monthly	1–17
Private equity funds	-	-	21	21	See Note 7	See Note 7
Hedge funds	-	-	44,126	44,126	Quarterly–Annual	60–96
Total investments	$ 348,521	$ 505,049	$ 44,147	$ 897,717		

	2018					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 142	$ 35,817	$ -	$ 35,959	Daily	1
U.S. government securities	46,265	-	-	46,265	Daily–Monthly	1–15
Domestic debt securities	144,131	220,202	-	364,333	Daily–Monthly	1–15
Global debt securities	470	74,676	-	75,146	Daily–Monthly	1–15
Domestic equities	158,634	17,594	-	176,228	Daily–Monthly	1–10
International equities	18,656	80,803	-	99,459	Daily–Monthly	1–11
Emerging market equities	382	39,881	-	40,263	Daily–Monthly	1–17
REIT funds	371	2,686	-	3,057	Daily–Monthly	1–17
Private equity funds	-	-	23	23	See Note 7	See Note 7
Hedge funds	-	-	44,250	44,250	Quarterly–Annual	60–96
Total investments	$ 369,051	$ 471,659	$ 44,273	$ 884,983		

The following table presents additional information about the changes in Level 3 assets measured at fair value for the years ended June 30, 2019 and 2018:

	2019		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	$ 44,250	$ 23	$ 44,273
Net unrealized losses	(124)	(2)	(126)
Balances at end of year	$ 44,126	$ 21	$ 44,147

	2018		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	$ 40,507	$ 96	$ 40,603
Sales	-	(51)	(51)
Net realized losses	-	(51)	(51)
Net unrealized gains	3,743	29	3,772
Balances at end of year	$ 44,250	$ 23	$ 44,273

The total aggregate net unrealized gains (losses) included in the fair value of the Level 3 investments as of June 30, 2019 and 2018 were approximately $14,617,000 and $14,743,000, respectively. There were no transfers into and out of Level 3 measurements during the years ended June 30, 2019 and 2018.

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2019 and 2018.

The weighted average asset allocation for the Health System's Plans at June 30, 2019 and 2018 by asset category is as follows:

	2019	2018
Cash and short-term investments	2 %	4 %
U.S. government securities	5	5
Domestic debt securities	44	41
Global debt securities	9	9
Domestic equities	20	20
International equities	11	11
Emerging market equities	4	5
Hedge funds	5	5
	100 %	100 %

The expected long-term rate of return on plan assets is reviewed annually, taking into consideration the asset allocation, historical returns on the types of assets held, and the current economic environment. Based on these factors, it is expected that the pension assets will earn an average of 7.50% per annum.

The Health System is expected to contribute approximately $20,426,000 to the Plans in 2020 however actual contributions may vary from expected amounts.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending June 30 and thereafter:

(in thousands of dollars)

2020	$ 50,743
2021	52,938
2022	55,199
2023	57,562
2024	59,843
2025 – 2028	326,737

Defined Contribution Plans
The Health System has an employer-sponsored 401(a) plan for certain of its members, under which the employer makes base, transition and discretionary match contributions based on specified percentages of compensation and employee deferral amounts. Total employer contributions to the plan of approximately $40,537,000 and $38,563,000 in 2019 and 2018, respectively, are included in employee benefits in the accompanying consolidated statements of operations and changes in net assets.

Various 403(b) and tax- sheltered annuity plans are available to employees of the Health System. Plan specifications vary by member and plan. No employer contributions were made to any of these plans in 2019 and 2018, respectively.

Postretirement Medical and Life Benefits
The Health System has postretirement medical and life benefit plans covering certain of its active and former employees. The plans generally provide medical or medical and life insurance benefits to certain retired employees who meet eligibility requirements. The plans are not funded.

Net periodic postretirement medical and life benefit (income) cost is comprised of the components listed below for the years ended June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Service cost	$ 384	$ 533
Interest cost	1,842	1,712
Net prior service income	(5,974)	(5,974)
Net loss amortization	10	10
	$ (3,738)	$ (3,719)

The following table sets forth the accumulated postretirement medical and life benefit obligation and amounts recognized in the Health System's consolidated financial statements at June 30, 2019 and 2018:

(in thousands of dollars)	2019	2018
Change in benefit obligation		
Benefit obligation at beginning of year	$ 42,581	$ 42,277
Service cost	384	533
Interest cost	1,842	1,712
Benefits paid	(3,149)	(3,174)
Actuarial loss	5,013	1,233
Employer contributions	-	-
Benefit obligation at end of year	46,671	42,581
Funded status of the plans	$ (46,671)	$ (42,581)
Current portion of liability for postretirement medical and life benefits	$ (3,422)	$ (3,266)
Long term portion of liability for postretirement medical and life benefits	(43,249)	(39,315)
Liability for postretirement medical and life benefits	$ (46,671)	$ (42,581)

As of June 30, 2019 and 2018, the liability for postretirement medical and life benefits is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic postretirement medical and life benefit income and included in the change in net assets without donor restrictions are as follows:

(in thousands of dollars)	2019	2018
Net prior service income	$ (9,556)	$ (15,530)
Net actuarial loss	8,386	3,336
	$ (1,170)	$ (12,194)

The estimated amounts that will be amortized from net assets without donor restrictions into net periodic postretirement income in fiscal year 2020 for net prior service cost is $5,974,000.

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the year ending June 30, 2020 and thereafter:

(in thousands of dollars)	
2020	$ 3,468
2021	3,436
2022	3,394
2023	3,802
2024	3,811
2025-2028	17,253

In determining the accumulated postretirement medical and life benefit obligation, the Health System used a discount rate of 3.70% in 2019 and an assumed healthcare cost trend rate of 6.50%, trending down to 5.00% in 2024 and thereafter. Increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement medical benefit obligation as of June 30, 2019 and 2018 by $1,601,000 and $1,088,000 and the net periodic postretirement medical benefit cost for the years then ended by $77,000 and $81,000, respectively. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated postretirement medical benefit obligation as of June 30, 2019 and 2018 by $1,452,000 and $996,000 and the net periodic postretirement medical benefit cost for the years then ended by $71,000 and $72,000, respectively.

12. Professional and General Liability Insurance Coverage

Mary Hitchcock Memorial Hospital and Dartmouth-Hitchcock Clinic, along with Dartmouth College, Cheshire Medical Center, The New London Hospital Association, Mt. Ascutney Hospital and Health Center, and the Visiting Nurse and Hospice for VT and NH are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a VT captive insurance company. Effective November 1, 2018 Alice Peck Day Memorial Hospital is provided professional and general liability insurance coverage through RRG. RRG reinsures the majority of this risk to Hamden Assurance Company Limited (HAC), a captive insurance company domiciled in Bermuda and to a variety of commercial reinsurers. Mary Hitchcock Memorial Hospital, Dartmouth-Hitchcock Clinic, and Dartmouth College have ownership interests in both HAC and RRG. The insurance program provides coverage to the covered institutions and named insureds on a modified claims-made basis which means coverage is triggered when claims are made. Premiums and related insurance deposits are actuarially determined based on asserted liability claims adjusted for future development. The reserves for outstanding losses are recorded on an undiscounted basis.

Selected financial data of HAC and RRG, taken from the latest available financial statements at June 30, 2019 and 2018, are summarized as follows:

	2019		
(in thousands of dollars)	**HAC**	**RRG**	**Total**
Assets	$ 75,867	$ 2,201	$ 78,068
Shareholders' equity	13,620	50	13,670

	2018		
(in thousands of dollars)	**HAC**	**RRG**	**Total**
Assets	$ 72,753	$ 2,068	$ 74,821
Shareholders' equity	13,620	50	13,670

13. Commitments and Contingencies

Litigation
The Health System is involved in various malpractice claims and legal proceedings of a nature considered normal to its business. The claims are in various stages and some may ultimately be brought to trial. While it is not feasible to predict or determine the outcome of any of these claims, it is the opinion of management that the final outcome of these claims will not have a material effect on the consolidated financial position of the Health System.

Operating Leases and Other Commitments
The Health System leases certain facilities and equipment under operating leases with varying expiration dates. The Health System's rental expense totaled approximately $12,707,000 and $14,096,000 for the years ended June 30, 2019 and 2018, respectively.

Minimum future lease payments under noncancelable operating leases at June 30, 2019 were as follows:

(in thousands of dollars)

2020	$ 11,342
2021	10,469
2022	7,488
2023	6,303
2024	4,127
Thereafter	5,752
	$ 45,481

Lines of Credit

The Health System has entered into Loan Agreements with financial institutions establishing access to revolving loans ranging from $2,000,000 up to $30,000,000. Interest is variable and determined using LIBOR or the Wall Street Journal Prime Rate. The Loan Agreements are due to expire March 27, 2020. There was no outstanding balance under the lines of credit as of June 30, 2019 and 2018. Interest expense was approximately $95,000 and $232,000, respectively, and is included in the consolidated statements of operations and changes in net assets.

14. Functional Expenses

Operating expenses are presented by functional classification in accordance with the overall service missions of the Health System. Each functional classification displays all expenses related to the underlying operations by natural classification. Salaries, employee benefits, medical supplies and medications, and purchased services and other expenses are generally considered variable and are allocated to the mission that best aligns to the type of service provided. Medicaid enhancement tax is allocated to program services. Interest expense is allocated based on usage of debt-financed space. Depreciation and amortization is allocated based on square footage and specific identification of equipment used by department.

Operating expenses of the Health System by functional and natural basis are as follows for the year ended June 30, 2019:

	2019			
(in thousands of dollars)	Program Services	Management and General	Fundraising	Total
Operating expenses				
Salaries	$ 922,902	$ 138,123	$ 1,526	$ 1,062,551
Employee benefits	178,983	72,289	319	251,591
Medical supplies and medications	406,782	1,093	-	407,875
Purchased services and other	212,209	108,783	2,443	323,435
Medicaid enhancement tax	70,061	-	-	70,061
Depreciation and amortization	37,528	50,785	101	88,414
Interest	3,360	22,135	19	25,514
Total operating expenses	$ 1,831,825	$ 393,208	$ 4,408	$ 2,229,441

Operating expenses of the Health System by functional classification are as follows for the year ended June 30, 2018:

(in thousands of dollars)

Program services	$ 1,715,760
Management and general	303,527
Fundraising	2,354
	$ 2,021,641

15. Liquidity

The Health System is substantially supported by cash generated from operations. In addition, the Health System holds financial assets for specific purposes which are limited as to use. Thus, certain financial assets reported on the accompanying consolidated balance sheet may not be available for general expenditure within one year of the balance sheet date.

The Health System's financial assets available at June 30, 2019 to meet cash needs for general expenditures within one year of June 30, 2019 are as follows:

(in thousands of dollars)

Cash and cash equivalents	$ 143,587
Patient accounts receivable	221,125
Assets limited as to use	876,249
Other investments for restricted activities	134,119
Total financial assets	1,375,080
Less: Those unavailable for general expenditure within one year:	
Investments held by captive insurance companies	66,082
Investments for restricted activities	134,119
Other investments with liquidity horizons greater than one year	97,063
Total financial assets available within one year	$ 1,077,816

For the years ending June 30, 2019 and June 30, 2018, the Health System generated positive cash flow from operations of approximately $161,853,000 and $136,031,000, respectively. In addition, the Health System's liquidity management plan includes investing excess daily cash in intermediate or long term investments based on anticipated liquidity needs. The Health System has an available line of credit of up to $30,000,000 which it can draw upon as needed to meet its liquidity needs. See Note 13 for further details on the line of credit.

16. Subsequent Events

The Health System has assessed the impact of subsequent events through November 26, 2019, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Effective September 30, 2019, the Boards of Trustees of D-HH, GraniteOne Health, Catholic Medical Center Health Services, and their respective member organizations approved a Combination Agreement to combine their healthcare systems. If regulatory approval of the

transaction is obtained, the name of the new system will be Dartmouth-Hitchcock Health GraniteOne.

The GraniteOne Health system is comprised of Catholic Medical Center (CMC), a community hospital located in Manchester NH, Huggins Hospital located in Wolfeboro NH, and Monadnock Community Hospital located in Peterborough NH. Both Huggins Hospital and Monadnock Community Hospital are designated as Critical Access Hospitals. GraniteOne is a non-profit, community based health care system.

On September 13, 2019, the Board of Trustees of D-HH approved the issuance of up to $100,000,000 par of new debt. On October 17, 2019, D-HH closed on the direct placement tax-exempt borrowing of $99,165,000 on behalf of the DHOG acting through the New Hampshire Health and Education Facilities Authority and issued its DHOG Issue, Series 2019A Bonds.

On January 29, 2020, D-HH closed on a tax-exempt borrowing of $125,000,000 on behalf of the DHOG acting through the New Hampshire Health and Education Facilities Authority and issued its DHOG Issue, Series 2020A Bonds.

17. Subsequent Events - Unaudited

Subsequent to the issuance of the audited financial statements on November 26, 2019, the novel strain of coronavirus emerged and in January 2020 the World Health Organization has declared the novel coronavirus a Public Health Emergency of International Concern. Beginning in March 2020, the State of New Hampshire and Vermont have adopted various measures to address the spread of this pandemic, including supporting social distancing, requests to stay home unless necessary (i.e., groceries or medications) and work from home recommendations. Such restrictions and the perception that such orders or restrictions could occur, have resulted in business closures, work stoppages, slowdowns and delays, work-from-home policies, travel restrictions and cancellation of events, including the rescheduling of elective or non-critical procedures (which management believes is temporary and such procedures will be performed at a later date) and redeployment of resources to address the novel coronavirus needs, among other effects. The outbreak has also negatively impacted the financial markets and has and may continue to materially affect the returns on and value of our investments. While we expect that the novel coronavirus may negatively impact our 2020 results, we believe we have sufficient liquidity to meet our operating and financing needs; however, given the difficulty in predicting the ultimate duration and severity of the impact of the novel coronavirus on our organization, the economy and the financial markets, the ultimate impact may be material.

Consolidating Supplemental Information – Unaudited

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2019

(in thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	Alice Peck Day Memorial	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 42,458	$ 47,465	$ 9,411	$ 7,066	$ 10,462	$ 8,372	$ -	$ 125,232	$ 18,355	$ -	$ 143,587
Patient accounts receivable, net	-	180,938	15,880	7,279	8,960	5,010	-	218,067	3,058	-	221,125
Prepaid expenses and other current assets	14,176	139,034	8,563	2,401	5,567	1,423	(74,083)	97,083	1,421	(3,009)	95,495
Total current assets	56,634	367,437	33,854	16,746	24,989	14,805	(74,083)	440,382	22,834	(3,009)	460,207
Assets limited as to use	92,602	688,485	18,759	12,684	12,427	11,819	-	836,576	39,673	-	876,249
Notes receivable, related party	553,484	752	-	1,406	-	-	(554,236)	1,406	(1,406)	-	-
Other investments for restricted activities	-	91,882	6,970	31	2,973	6,323	-	108,179	25,940	-	134,119
Property, plant, and equipment, net	22	432,277	67,147	30,945	41,946	17,797	-	590,134	31,122	-	621,256
Other assets	24,864	108,208	1,279	15,019	6,042	4,388	(10,970)	148,830	(3,013)	(21,346)	124,471
Total assets	$ 727,606	$ 1,689,041	$ 128,009	$ 76,831	$ 88,377	$ 54,932	$ (639,289)	$ 2,125,507	$ 115,150	$ (24,355)	$ 2,216,302
Liabilities and Net Assets											
Current liabilities											
Current portion of long-term debt	$ -	$ 8,226	$ 830	$ 954	$ 547	$ 262	$ -	$ 10,819	$ 95	$ -	$ 10,914
Current portion of liability for pension and other postretirement plan benefits	-	3,468	-	-	-	-	-	3,468	-	-	3,468
Accounts payable and accrued expenses	55,499	99,884	15,620	6,299	3,878	2,776	(74,083)	109,873	6,953	(3,009)	113,817
Accrued compensation and related benefits	-	110,639	5,851	3,694	2,313	4,270	-	126,767	1,641	-	128,408
Estimated third-party settlements	-	26,405	103	1,290	10,851	2,921	-	41,570	-	-	41,570
Total current liabilities	55,499	248,622	22,404	12,237	17,589	10,229	(74,083)	292,497	8,689	(3,009)	298,177
Notes payable, related party	-	526,202	-	-	28,034	-	(554,236)	-	-	-	-
Long-term debt, excluding current portion	643,257	44,820	24,503	35,604	643	11,465	(10,970)	749,322	2,858	-	752,180
Insurance deposits and related liabilities	-	56,786	440	513	388	240	-	58,367	40	-	58,407
Liability for pension and other postretirement plan benefits, excluding current portion	-	266,427	10,262	-	-	4,320	-	281,009	-	-	281,009
Other liabilities	-	98,201	1,104	28	1,585	-	-	100,918	23,218	-	124,136
Total liabilities	698,756	1,241,058	58,713	48,382	48,239	26,254	(639,289)	1,482,113	34,805	(3,009)	1,513,909
Commitments and contingencies											
Net assets											
Net assets without donor restrictions	28,832	356,880	63,051	27,653	35,518	21,242	-	533,176	48,063	(21,306)	559,933
Net assets with donor restrictions	18	91,103	6,245	796	4,620	7,436	-	110,218	32,282	(40)	142,460
Total net assets	28,850	447,983	69,296	28,449	40,138	28,678	-	643,394	80,345	(21,346)	702,393
Total liabilities and net assets	$ 727,606	$ 1,689,041	$ 128,009	$ 76,831	$ 88,377	$ 54,932	$ (639,289)	$ 2,125,507	$ 115,150	$ (24,355)	$ 2,216,302

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2019

(in thousands of dollars)	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD and Subsidiaries	VNH and Subsidiaries	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 42,456	$ 48,052	$ 11,952	$ 11,120	$ 8,549	$ 15,772	$ 5,686	$ -	$ 143,587
Patient accounts receivable, net	-	180,938	15,880	8,960	5,060	7,280	3,007	-	221,125
Prepaid expenses and other current assets	14,178	139,832	9,460	5,567	1,401	1,678	471	(77,092)	95,495
Total current assets	56,634	368,822	37,292	25,647	15,010	24,730	9,164	(77,092)	460,207
Assets limited as to use	92,602	707,597	17,383	12,427	12,738	12,685	20,817	-	876,249
Notes receivable, related party	553,484	752	-	-	-	-	-	(554,236)	-
Other investments for restricted activities	-	99,807	24,985	2,973	6,323	31	-	-	134,119
Property, plant, and equipment, net	22	434,953	70,846	42,423	19,435	50,338	3,239	-	621,256
Other assets	24,864	108,366	7,388	5,476	1,931	8,688	74	(32,316)	124,471
Total assets	$ 727,606	$ 1,720,297	$ 157,894	$ 88,946	$ 55,437	$ 96,472	$ 33,294	$ (663,644)	$ 2,216,302
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ -	$ 8,226	$ 830	$ 547	$ 288	$ 954	$ 69	$ -	$ 10,914
Current portion of liability for pension and other postretirement plan benefits	-	3,468	-	-	-	-	-	-	3,468
Accounts payable and accrued expenses	55,499	100,441	19,356	3,879	2,856	6,704	2,174	(77,092)	113,817
Accrued compensation and related benefits	-	110,639	5,851	2,313	4,314	4,192	1,099	-	128,408
Estimated third-party settlements	-	26,405	103	10,851	2,921	1,290	-	-	41,570
Total current liabilities	55,499	249,179	26,140	17,590	10,379	13,140	3,342	(77,092)	298,177
Notes payable, related party	-	526,202	-	28,034	-	-	-	(554,236)	-
Long-term debt, excluding current portion	643,257	44,820	24,503	643	11,763	35,604	2,560	(10,970)	752,180
Insurance deposits and related liabilities	-	56,786	440	388	240	513	40	-	58,407
Liability for pension and other postretirement plan benefits, excluding current portion	-	266,427	10,262	-	4,320	-	-	-	281,009
Other liabilities	-	98,201	1,115	1,585	-	23,235	-	-	124,136
Total liabilities	698,756	1,241,615	62,460	48,240	26,702	72,492	5,942	(642,298)	1,513,909
Commitments and contingencies									
Net assets									
Net assets without donor restrictions	28,832	379,498	65,873	36,087	21,300	22,327	27,322	(21,306)	559,933
Net assets with donor restrictions	18	99,184	29,561	4,619	7,435	1,653	30	(40)	142,460
Total net assets	28,850	478,682	95,434	40,706	28,735	23,980	27,352	(21,346)	702,393
Total liabilities and net assets	$ 727,606	$ 1,720,297	$ 157,894	$ 88,946	$ 55,437	$ 96,472	$ 33,294	$ (663,644)	$ 2,216,302

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2018

(in thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets										
Current assets										
Cash and cash equivalents	$ 134,634	$ 22,544	$ 6,688	$ 9,419	$ 6,604	$ -	$ 179,889	$ 20,280	$ -	$ 200,169
Patient accounts receivable, net	-	176,981	17,183	8,302	5,055	-	207,521	11,707	-	219,228
Prepaid expenses and other current assets	11,964	143,893	6,551	5,253	2,313	(72,361)	97,613	4,766	(4,877)	97,502
Total current assets	146,598	343,418	30,422	22,974	13,972	(72,361)	485,023	36,753	(4,877)	516,899
Assets limited as to use	8	616,929	17,438	12,821	10,829	-	658,025	48,099	-	706,124
Notes receivable, related party	554,771	-	-	-	-	(554,771)	-	-	-	-
Other investments for restricted activities	-	87,613	8,591	2,981	6,238	-	105,423	25,473	-	130,896
Property, plant, and equipment, net	36	443,154	66,759	42,438	17,356	-	569,743	37,578	-	607,321
Other assets	24,863	101,078	1,370	5,906	4,280	(10,970)	126,527	3,604	(21,346)	108,785
Total assets	$ 726,276	$ 1,592,192	$ 124,580	$ 87,120	$ 52,675	$ (638,102)	$ 1,944,741	$ 151,507	$ (26,223)	$ 2,070,025
Liabilities and Net Assets										
Current liabilities										
Current portion of long-term debt	$ -	$ 1,031	$ 810	$ 572	$ 187	$ -	$ 2,600	$ 864	$ -	$ 3,464
Current portion of liability for pension and other postretirement plan benefits	-	3,311	-	-	-	-	3,311	-	-	3,311
Accounts payable and accrued expenses	54,995	82,061	20,107	6,705	3,029	(72,361)	94,536	6,094	(4,877)	95,753
Accrued compensation and related benefits	-	106,485	5,730	2,487	3,796	-	118,498	7,078	-	125,576
Estimated third-party settlements	3,002	24,411	-	9,655	1,625	-	38,693	2,448	-	41,141
Total current liabilities	57,997	217,299	26,647	19,419	8,637	(72,361)	257,638	16,484	(4,877)	269,245
Notes payable, related party	-	527,346	-	27,425	-	(554,771)	-	-	-	-
Long-term debt, excluding current portion	644,520	52,878	25,354	1,179	11,270	(10,970)	724,231	28,744	-	752,975
Insurance deposits and related liabilities	-	54,616	465	155	240	-	55,476	40	-	55,516
Liability for pension and other postretirement plan benefits, excluding current portion	-	232,696	4,215	-	5,316	-	242,227	-	-	242,227
Other liabilities	-	85,577	1,107	1,405	-	-	88,089	38	-	88,127
Total liabilities	702,517	1,170,412	57,788	49,583	25,463	(638,102)	1,367,661	45,306	(4,877)	1,408,090
Commitments and contingencies										
Net assets										
Net assets without donor restrictions	23,759	334,882	61,828	32,897	19,812	-	473,178	72,230	(21,306)	524,102
Net assets with donor restrictions	-	86,898	4,964	4,640	7,400	-	103,902	33,971	(40)	137,833
Total net assets	23,759	421,780	66,792	37,537	27,212	-	577,080	106,201	(21,346)	661,935
Total liabilities and net assets	$ 726,276	$ 1,592,192	$ 124,580	$ 87,120	$ 52,675	$ (638,102)	$ 1,944,741	$ 151,507	$ (26,223)	$ 2,070,025

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2018

(in thousands of dollars)	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 134,634	$ 23,094	$ 8,621	$ 9,982	$ 6,654	$ 12,144	$ 5,040	$ -	$ 200,169
Patient accounts receivable, net	-	176,981	17,183	8,302	5,109	7,996	3,657	-	219,228
Prepaid expenses and other current assets	11,964	144,755	5,520	5,276	2,294	4,443	488	(77,238)	97,502
Total current assets	146,598	344,830	31,324	23,560	14,057	24,583	9,185	(77,238)	516,899
Assets limited as to use	8	635,028	17,438	12,821	11,862	9,612	19,355	-	706,124
Notes receivable, related party	554,771	-	-	-	-	-	-	(554,771)	-
Other investments for restricted activities	-	95,772	25,873	2,981	6,238	32	-	-	130,896
Property, plant, and equipment, net	36	445,829	70,607	42,920	19,065	25,725	3,139	-	607,321
Other assets	24,863	101,235	7,526	5,333	1,886	130	128	(32,316)	108,785
Total assets	$ 726,276	$ 1,622,694	$ 152,768	$ 87,615	$ 53,108	$ 60,082	$ 31,807	$ (664,325)	$ 2,070,025
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ -	$ 1,031	$ 810	$ 572	$ 245	$ 739	$ 67	$ -	$ 3,464
Current portion of liability for pension and other postretirement plan benefits	-	3,311	-	-	-	-	-	-	3,311
Accounts payable and accrued expenses	54,995	82,613	20,052	6,714	3,092	3,596	1,929	(77,238)	95,753
Accrued compensation and related benefits	-	106,485	5,730	2,487	3,831	5,814	1,229	-	125,576
Estimated third-party settlements	3,002	24,411	-	9,655	1,625	2,448	-	-	41,141
Total current liabilities	57,997	217,851	26,592	19,428	8,793	12,597	3,225	(77,238)	269,245
Notes payable, related party	-	527,346	-	27,425	-	-	-	(554,771)	-
Long-term debt, excluding current portion	644,520	52,878	25,354	1,179	11,593	25,792	2,629	(10,970)	752,975
Insurance deposits and related liabilities	-	54,616	465	155	241	-	39	-	55,516
Liability for pension and other postretirement plan benefits, excluding current portion	-	232,696	4,215	-	5,316	-	-	-	242,227
Other liabilities	-	85,577	1,117	1,405	-	28	-	-	88,127
Total liabilities	702,517	1,170,964	57,743	49,592	25,943	38,417	5,893	(642,979)	1,408,090
Commitments and contingencies									
Net assets									
Net assets without donor restrictions	23,759	356,518	65,069	33,383	19,764	21,031	25,884	(21,306)	524,102
Net assets with donor restrictions	-	95,212	29,956	4,640	7,401	634	30	(40)	137,833
Total net assets	23,759	451,730	95,025	38,023	27,165	21,665	25,914	(21,346)	661,935
Total liabilities and net assets	$ 726,276	$ 1,622,694	$ 152,768	$ 87,615	$ 53,108	$ 60,082	$ 31,807	$ (664,325)	$ 2,070,025

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions
Year Ended June 30, 2019

(In thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	Alice Peck Day Memorial	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Operating revenue and other support											
Patient service revenue	$ -	$ 1,580,552	$ 220,255	$ 69,794	$ 60,166	$ 46,029	$ -	$ 1,976,796	$ 22,527	$ -	$ 1,999,323
Contracted revenue	5,011	109,051	355	-	-	5,902	(48,100)	74,219	790	8	75,017
Other operating revenue	21,128	166,852	3,407	1,748	4,261	2,289	(22,076)	197,609	13,386	(297)	210,698
Net assets released from restrictions	369	11,556	732	137	177	24	-	12,995	1,110	-	14,105
Total operating revenue and other support	26,508	1,868,011	224,749	71,679	64,604	54,244	(68,176)	2,261,619	37,813	(289)	2,299,143
Operating expenses											
Salaries	-	868,311	107,671	37,297	30,549	28,514	(24,882)	1,045,660	15,785	1,106	1,062,551
Employee benefits	-	208,346	24,225	6,454	5,434	6,966	(3,783)	247,662	3,642	287	251,591
Medical supplies and medications	-	354,201	34,331	8,634	6,296	3,032	-	406,498	1,379	-	407,875
Purchased services and other	11,366	242,106	35,088	15,308	13,528	13,950	(21,176)	310,170	14,887	(1,622)	323,435
Medicaid enhancement tax	-	54,954	8,005	3,062	2,264	1,776	-	70,061	-	-	70,061
Depreciation and amortization	14	69,343	7,977	2,305	3,915	2,360	-	85,914	2,500	-	88,414
Interest	20,677	21,585	1,053	1,189	1,119	228	(20,850)	24,981	533	-	25,514
Total operating expenses	32,057	1,818,846	218,350	74,229	63,107	54,826	(70,471)	2,190,944	38,726	(229)	2,229,441
Operating (loss) margin	(5,549)	69,165	6,399	(2,550)	1,497	(582)	2,295	70,675	(913)	(60)	69,702
Nonoperating gains (losses)											
Investment income (losses), net	3,929	32,193	227	489	834	823	(198)	38,077	1,975	-	40,052
Other (losses) income, net	(3,784)	1,586	(187)	30	(240)	279	(2,097)	(4,413)	791	60	(3,562)
Loss on early extinguishment of debt	-	-	-	(87)	-	-	-	(87)	-	-	(87)
Loss on swap termination	-	-	-	-	-	-	-	-	-	-	-
Total non-operating gains (losses), net	145	33,779	40	412	594	802	(2,295)	33,577	2,766	60	36,403
(Deficiency) excess of revenue over expenses	(5,404)	102,944	6,439	(2,138)	2,091	320	-	104,252	1,853	-	106,105
Net assets without donor restrictions											
Net assets released from restrictions	-	419	585	-	402	318	-	1,704	85	-	1,789
Change in funded status of pension and other postretirement benefits	-	(65,005)	(7,720)	-	-	682	-	(72,043)	-	-	(72,043)
Net assets transferred to (from) affiliates	10,477	(16,360)	1,939	8,760	128	110	-	5,054	(5,054)	-	-
Additional paid in capital	-	-	-	-	-	-	-	-	-	-	-
Other changes in net assets	-	-	-	-	-	-	-	-	-	-	-
Change in fair value on interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
Change in funded status of interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
Increase in net assets without donor restrictions	$ 5,073	$ 21,998	$ 1,223	$ 6,622	$ 2,621	$ 1,430	$ -	$ 38,967	$ (3,136)	$ -	$ 35,831

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions
Year Ended June 30, 2019

(in thousands of dollars)	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD and Subsidiaries	VNH and Subsidiaries	Eliminations	Health System Consolidated
Operating revenue and other support									
Patient service revenue	$ -	$ 1,580,552	$ 220,254	$ 60,166	$ 46,029	$ 69,794	$ 22,528	$ -	$ 1,999,323
Contracted revenue	5,010	109,842	355	-	5,902	-	-	(46,092)	75,017
Other operating revenue	21,128	188,775	3,549	4,260	3,868	10,951	540	(22,373)	210,698
Net assets released from restrictions	371	12,637	732	177	26	162	-	-	14,105
Total operating revenue and other support	26,509	1,891,806	224,890	64,603	55,825	80,907	23,068	(68,465)	2,299,143
Operating expenses									
Salaries	-	868,311	107,706	30,549	27,319	40,731	11,511	(23,576)	1,062,551
Employee benefits	-	208,346	24,235	5,434	7,133	7,218	2,701	(3,476)	251,591
Medical supplies and medications	-	354,201	34,331	6,298	3,035	8,639	1,371	-	407,875
Purchased services and other	11,366	246,101	35,396	13,390	14,371	18,172	7,437	(22,798)	323,435
Medicaid enhancement tax	-	54,954	8,005	2,264	1,776	3,062	-	-	70,061
Depreciation and amortization	14	69,343	8,125	3,920	2,478	4,194	340	-	88,414
Interest	20,678	21,585	1,054	1,119	228	1,637	63	(20,850)	25,514
Total operating expenses	32,058	1,822,841	218,852	62,974	56,340	83,653	23,423	(70,700)	2,229,441
Operating (loss) margin	(5,549)	68,965	6,038	1,629	(515)	(2,746)	(355)	2,235	69,702
Non-operating gains (losses)									
Investment income (losses), net	3,929	33,310	129	785	645	469	983	(198)	40,052
Other (losses) income, net	(3,784)	1,586	(171)	(240)	288	31	765	(2,037)	(3,562)
Loss on early extinguishment of debt	-	-	-	-	-	(87)	-	-	(87)
Loss on swap termination	-	-	-	-	-	-	-	-	-
Total nonoperating gains (losses), net	145	34,896	(42)	545	933	413	1,748	(2,235)	36,403
(Deficiency) excess of revenue over expenses	(5,404)	103,861	5,996	2,174	418	(2,333)	1,393	-	106,105
Net assets without donor restrictions									
Net assets released from restrictions	-	484	565	402	318	-	-	-	1,769
Change in funded status of pension and other postretirement benefits	-	(65,005)	(7,720)	-	682	-	-	-	(72,043)
Net assets transferred to (from) affiliates	10,477	(16,360)	1,963	128	118	3,629	45	-	-
Additional paid in capital	-	-	-	-	-	-	-	-	-
Other changes in net assets	-	-	-	-	-	-	-	-	-
Change in fair value on interest rate swaps	-	-	-	-	-	-	-	-	-
Change in funded status of interest rate swaps	-	-	-	-	-	-	-	-	-
Increase in net assets without donor restrictions	$ 5,073	$ 22,980	$ 804	$ 2,704	$ 1,536	$ 1,296	$ 1,438	$ -	$ 35,831

Dartmouth-Hitchcock Health and Subsidiaries

Consolidating Statements of Operations and Changes in Net Assets Without Donor Restrictions

Year Ended June 30, 2018

(in thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non Oblig Group Affiliates	Eliminations	Health System Consolidated
Operating revenue and other support										
Patient service revenue	$ -	$ 1,475,314	$ 216,736	$ 60,486	$ 52,014	$ -	$ 1,804,550	$ 94,545	$ -	$ 1,899,095
Provision for bad debts	-	31,358	10,967	1,554	1,440	-	45,319	2,048	-	47,367
Net patient service revenue	-	1,443,956	205,769	58,932	50,574	-	1,759,231	92,497	-	1,851,728
Contracted revenue	(2,305)	97,291	-	-	2,169	(42,870)	54,285	716	(32)	54,969
Other operating revenue	9,799	134,461	3,365	4,169	1,814	(10,554)	143,054	6,978	(1,086)	148,946
Net assets released from restrictions	658	11,605	620	52	44	-	12,979	482	-	13,461
Total operating revenue and other support	8,152	1,687,313	209,754	63,153	54,601	(53,424)	1,969,549	100,673	(1,118)	2,069,104
Operating expenses										
Salaries	-	806,344	105,607	30,360	24,854	(21,542)	945,623	42,035	1,605	989,263
Employee benefits	-	181,833	28,343	7,252	7,000	(5,385)	219,043	10,221	419	229,683
Medical supplies and medications	-	289,327	31,293	6,161	3,055	-	329,836	10,195	-	340,031
Purchased services and other	8,509	215,073	33,065	13,587	13,960	(19,394)	264,800	29,390	(2,818)	291,372
Medicaid enhancement tax	-	53,044	8,070	2,659	1,744	-	65,517	2,175	-	67,692
Depreciation and amortization	23	66,073	10,217	3,934	2,030	-	82,277	2,501	-	84,778
Interest	8,684	15,772	1,004	981	224	(8,882)	17,783	1,039	-	18,822
Total operating expenses	17,216	1,627,466	217,599	64,934	52,867	(55,203)	1,924,879	97,556	(794)	2,021,641
Operating margin (loss)	(9,064)	59,847	(7,845)	(1,781)	1,734	1,779	44,670	3,117	(324)	47,463
Non-operating gains (losses)										
Investment income (losses), net	(26)	33,628	1,408	1,151	858	(198)	36,821	3,566	-	40,387
Other (losses) income, net	(1,364)	(2,599)	-	1,276	266	(1,581)	(4,002)	733	361	(2,908)
Loss on early extinguishment of debt	-	(13,909)	-	(305)	-	-	(14,214)	-	-	(14,214)
Loss on swap termination	-	(14,247)	-	-	-	-	(14,247)	-	-	(14,247)
Total non-operating gains (losses), net	(1,390)	2,873	1,408	2,122	1,124	(1,779)	4,358	4,299	361	9,018
(Deficiency) excess of revenue over expenses	(10,454)	62,720	(6,437)	341	2,858	-	49,028	7,416	37	56,481
Net assets without donor restrictions										
Net assets released from restrictions	-	16,038	-	4	252	-	16,294	19	-	16,313
Change in funded status of pension and other postretirement benefits	-	4,300	2,827	-	1,127	-	8,254	-	-	8,254
Net assets transferred to (from) affiliates	17,791	(25,355)	7,188	48	328	-	-	-	-	-
Additional paid in capital	-	-	-	-	-	-	-	58	(58)	-
Other changes in net assets	-	-	-	-	-	-	-	(185)	-	(185)
Change in fair value on interest rate swaps	-	4,190	-	-	-	-	4,190	-	-	4,190
Change in funded status of interest rate swaps	-	14,102	-	-	-	-	14,102	-	-	14,102
Increase in net assets without donor restrictions	$ 7,337	$ 75,995	$ 3,578	$ 393	$ 4,565	$ -	$ 91,868	$ 7,308	$ (21)	$ 99,155

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets Without Donor Restrictions
Year Ended June 30, 2018

(in thousands of dollars)	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Operating revenue and other support									
Patient service revenue	$ -	$ 1,475,314	$ 216,738	$ 60,486	$ 52,014	$ 71,458	$ 23,087	$ -	$ 1,899,095
Provision for bad debts	-	31,358	10,967	1,554	1,440	1,680	368	-	47,367
Net patient service revenue	-	1,443,956	205,769	58,932	50,574	69,778	22,719	-	1,851,728
Contracted revenue	(2,305)	98,007	-	-	2,169	-	-	(42,902)	54,969
Other operating revenue	9,799	137,242	4,061	4,166	3,168	1,697	453	(11,640)	148,946
Net assets released from restrictions	658	11,984	620	52	44	103	-	-	13,461
Total operating revenue and other support	8,152	1,691,189	210,450	63,150	55,955	71,578	23,172	(54,542)	2,069,104
Operating expenses									
Salaries	-	806,344	105,607	30,360	25,592	29,215	12,082	(19,937)	989,263
Employee benefits	-	181,833	28,343	7,252	7,162	7,406	2,653	(4,966)	229,683
Medical supplies and medications	-	289,327	31,293	6,161	3,057	8,484	1,709	-	340,031
Purchased services and other	8,512	218,690	33,431	13,432	14,354	19,220	5,945	(22,212)	291,372
Medicaid enhancement tax	-	53,044	8,070	2,659	1,743	2,176	-	-	67,692
Depreciation and amortization	23	66,073	10,357	3,939	2,145	1,831	410	-	84,778
Interest	8,684	15,772	1,004	981	223	975	65	(8,882)	18,822
Total operating expenses	17,219	1,631,083	218,105	64,784	54,276	69,307	22,864	(55,997)	2,021,641
Operating (loss) margin	(9,067)	60,106	(7,655)	(1,634)	1,679	2,271	308	1,455	47,463
Nonoperating gains (losses)									
Investment income (losses), net	(26)	35,177	1,954	1,097	787	203	1,393	(198)	40,387
Other (losses) income, net	(1,364)	(2,599)	(3)	1,276	273	(223)	952	(1,220)	(2,908)
Loss on early extinguishment of debt	-	(13,909)	-	(305)	-	-	-	-	(14,214)
Loss on swap termination	-	(14,247)	-	-	-	-	-	-	(14,247)
Total non-operating gains (losses), net	(1,390)	4,422	1,951	2,068	1,060	(20)	2,345	(1,418)	9,018
(Deficiency) excess of revenue over expenses	(10,457)	64,528	(5,704)	434	2,739	2,251	2,653	37	56,481
Net assets without donor restrictions									
Net assets released from restrictions	-	16,058	-	4	251	-	-	-	16,313
Change in funded status of pension and other postretirement benefits	-	4,300	2,827	-	1,127	-	-	-	8,254
Net assets transferred to (from) affiliates	17,791	(25,355)	7,188	48	328	-	-	-	-
Additional paid in capital	58	-	-	-	-	-	-	(58)	-
Other changes in net assets	-	-	-	-	-	(185)	-	-	(185)
Change in fair value on interest rate swaps	-	4,190	-	-	-	-	-	-	4,190
Change in funded status of interest rate swaps	-	14,102	-	-	-	-	-	-	14,102
Increase (decrease) in net assets without donor restrictions	$ 7,392	$ 77,823	$ 4,311	$ 486	$ 4,445	$ 2,066	$ 2,653	$ (21)	$ 99,155

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Supplemental Consolidating Information
June 30, 2019 and 2018

1. Basis of Presentation

The accompanying supplemental consolidating information includes the consolidating balance sheet and the consolidating statement of operations and changes in net assets without donor restrictions of D-HH and its subsidiaries. All intercompany accounts and transactions between D-HH and its subsidiaries have been eliminated. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

Schedule of Expenditures of Federal Awards

Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	CFDA	Award Number/pass-through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
Federal Program						
Research and Development Cluster						
Department of Defense						
National Guard Military Operations and Maintenance (O&M) Projects	12.401	W81XWH1820078	Direct		$ 234,630	$ -
Military Medical Research and Development	12.420	W81XWH1810712	Direct		131,525	-
Military Medical Research and Development	12.420	R1143	Pass-Through	Trustees of Dartmouth College	2,055	-
					133,580	-
Department of Defense	12.RD	80232	Pass-Through	Creare, Inc.	46,275	-
					414,485	-
Environmental Protection Agency						
Science To Achieve Results (STAR) Research Program	66.509	31220SUB52965	Pass-Through	University of Vermont	1,031	-
					1,031	-
Department of Health and Human Services						
Innovations in Applied Public Health Research	93.061	1 R01 TS000288	Direct		84,957	8,387
Environmental Health	93.113	6K23ES025781-06	Direct		111,125	-
Environmental Health	93.113	R1118	Pass-Through	Trustees of Dartmouth College	5,087	-
					116,212	-
NIEHS Superfund Hazardous Substances	93.143	R1099	Pass-Through	Trustees of Dartmouth College	6,457	-
Health Program for Toxic Substances and Disease Registry	93.161	AWD00010523	Direct		61,180	-
Research Related to Deafness and Communication Disorders	93.173	6R21DC015133-03	Direct		119,896	61,908
National Research Service Award in Primary Care Medicine	93.186	T32HP32520	Direct		309,112	-
Research and Training in Complementary and Integrative Health	93.213	R1112	Pass-Through	Trustees of Dartmouth College	21,197	-
Research and Training in Complementary and Integrative Health	93.213	R1187	Pass-Through	Trustees of Dartmouth College	446	-
Research and Training in Complementary and Integrative Health	93.213	12272	Pass-Through	Palmer College of Chiropractic	30,748	-
Research and Training in Complementary and Integrative Health	93.213	Not Provided	Pass-Through	Southern California University of Health	12,030	-
					64,421	-
Research on Healthcare Costs, Quality and Outcomes	93.226	5P30HS024403	Direct		641,114	-
Research on Healthcare Costs, Quality and Outcomes	93.226	R1128	Pass-Through	Trustees of Dartmouth College	6,003	-
Research on Healthcare Costs, Quality and Outcomes	93.226	R1146	Pass-Through	Trustees of Dartmouth College	4,696	-
					651,813	-
Mental Health Research Grants	93.242	1K08MH117347-01A1	Direct		54,211	-
Mental Health Research Grants	93.242	6K23MH116367-02	Direct		109,228	-
Mental Health Research Grants	93.242	6R01MH110965	Direct		220,076	84,823
Mental Health Research Grants	93.242	6T32MH073553-15	Direct		130,340	-
Mental Health Research Grants	93.242	6R25MH068502-17	Direct		157,599	-
Mental Health Research Grants	93.242	6R01MH107625-05	Direct		200,805	27,964
Mental Health Research Grants	93.242	R1082	Pass-Through	Trustees of Dartmouth College	11,740	-
Mental Health Research Grants	93.242	R1144	Pass-Through	Trustees of Dartmouth College	5,897	-
Mental Health Research Grants	93.242	R1156	Pass-Through	Trustees of Dartmouth College	4,721	-
					894,617	112,787

Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	CFDA	Award Number/pass-through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
Drug Abuse and Addiction Research Programs	93.279	6R01DA034699-05	Direct		390,647	90,985
Drug Abuse and Addiction Research Programs	93.279	6R21DA044501-03	Direct		118,741	-
Drug Abuse and Addiction Research Programs	93.279	6R01DA041416-04	Direct		135,687	62,277
Drug Abuse and Addiction Research Programs	93.279	R1105	Pass-Through	Trustees of Dartmouth College	11,957	-
Drug Abuse and Addiction Research Programs	93.279	R1104	Pass-Through	Trustees of Dartmouth College	4,109	-
Drug Abuse and Addiction Research Programs	93.279	R1192	Pass-Through	Trustees of Dartmouth College	5,059	-
					668,200	153,262
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	6K23EB026507-02	Direct		98,499	9,582
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	6R21EB021456-03	Direct		23,293	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	R1103	Pass-Through	Trustees of Dartmouth College	16,635	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	5R21EB024771-02	Pass-Through	Trustees of Dartmouth College	5,938	-
					144,365	9,582
National Center for Advancing Translational Sciences	93.350	R1113	Pass-Through	Trustees of Dartmouth College	342,790	-
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	1204501	Pass-Through	Dana Farber Cancer Institute	168,421	-
Cancer Cause and Prevention Research	93.393	1R01CA225792	Direct		54,351	-
Cancer Cause and Prevention Research	93.393	R21CA227776A	Direct		28,640	-
Cancer Cause and Prevention Research	93.393	R01CA229197	Direct		65,701	-
Cancer Cause and Prevention Research	93.393	R1127	Pass-Through	Trustees of Dartmouth College	8,035	-
Cancer Cause and Prevention Research	93.393	R1097	Pass-Through	Trustees of Dartmouth College	5,870	-
Cancer Cause and Prevention Research	93.393	R1109	Pass-Through	Trustees of Dartmouth College	1,984	-
Cancer Cause and Prevention Research	93.393	DHMCCA222648	Pass-Through	The Pennsylvania State University	3,173	-
Cancer Cause and Prevention Research	93.393	R44CA210810	Pass-Through	Cairn Surgical, LLC	38,241	-
					203,995	-
Cancer Detection and Diagnosis Research	93.394	4R00CA190890-03	Direct		1,717	-
Cancer Detection and Diagnosis Research	93.394	6R37CA212187-03	Direct		106,110	2,907
Cancer Detection and Diagnosis Research	93.394	6R03CA219445-03	Direct		16,880	-
Cancer Detection and Diagnosis Research	93.394	R1079	Pass-Through	Trustees of Dartmouth College	23,031	-
Cancer Detection and Diagnosis Research	93.394	R1080	Pass-Through	Trustees of Dartmouth College	23,031	-
Cancer Detection and Diagnosis Research	93.394	R1086	Pass-Through	Trustees of Dartmouth College	6,772	-
Cancer Detection and Diagnosis Research	93.394	R1096	Pass-Through	Trustees of Dartmouth College	1,174	-
Cancer Detection and Diagnosis Research	93.394	R1124	Pass-Through	Trustees of Dartmouth College	83,174	-
					263,889	2,907
Cancer Treatment Research	93.395	1UG1CA233323-01	Direct		14,675	-
Cancer Treatment Research	93.395	6U10CA180854-06	Direct		27,790	-
Cancer Treatment Research	93.395	DAC-194321	Pass-Through	Mayo Clinic	36,708	-

Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	CFDA	Award Number/pass-through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
Cancer Treatment Research	93.395	R1087	Pass-Through	Trustees of Dartmouth College	2,630	-
Cancer Treatment Research	93.395	110408	Pass-Through	Brigham and Women's Hospital	20,430	-
					102,233	-
Cancer Centers Support Grants	93.397	R1126	Pass-Through	Trustees of Dartmouth College	95,624	-
Cardiovascular Diseases Research	93.837	1UM1HL147371-01	Direct		11,774	-
Cardiovascular Diseases Research	93.837	7K23HL142835-02	Direct		65,544	-
					77,318	-
Lung Diseases Research	93.838	6R01HL122372-05	Direct		205,920	8,664
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	6T32AR049710-16	Direct		73,049	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R1098	Pass-Through	Trustees of Dartmouth College	70,735	704
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	6R01NS052274-11	Direct		50,412	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	16-210950-04	Direct		18,016	-
					68,428	-
Allergy and Infectious Diseases Research	93.855	R1081	Pass-Through	Trustees of Dartmouth College	3,787	-
Allergy and Infectious Diseases Research	93.855	RES513934	Pass-Through	Case Western Reserve University	4,170	-
Allergy and Infectious Diseases Research	93.855	R1155	Pass-Through	Trustees of Dartmouth College	14,582	-
					22,539	-
Biomedical Research and Research Training	93.859	R1100	Pass-Through	Trustees of Dartmouth College	14,901	-
Biomedical Research and Research Training	93.859	R1141	Pass-Through	Trustees of Dartmouth College	587	-
Biomedical Research and Research Training	93.859	R1145	Pass-Through	Trustees of Dartmouth College	241	-
					15,729	-
Child Health and Human Development Extramural Research	93.865	5P2CHD086841-04	Direct		127,400	10,132
Child Health and Human Development Extramural Research	93.865	6UG1OD024946-03	Direct		260,914	-
Child Health and Human Development Extramural Research	93.865	6R01HD067270	Direct		314,058	223,885
Child Health and Human Development Extramural Research	93.865	R1119	Pass-Through	Trustees of Dartmouth College	13,264	-
Child Health and Human Development Extramural Research	93.865	51460	Pass-Through	Univ of Arkansas for Medical Sciences	4,696	-
					720,332	234,017
Aging Research	93.866	6K23AG051681-04	Direct		76,377	2,883
Aging Research	93.866	R1102	Pass-Through	Trustees of Dartmouth College	8,285	-
					84,662	2,883
Vision Research	93.867	6R21EY028677-02	Direct		28,751	3,149
Medical Library Assistance	93.879	R1107	Pass-Through	Trustees of Dartmouth College	4,273	-
Medical Library Assistance	93.879	R1190	Pass-Through	Trustees of Dartmouth College	1,244	-
					5,517	-
International Research and Research Training	93.989	R1123	Pass-Through	Trustees of Dartmouth College	5,936	-
International Research and Research Training	93.989	6R25TW007693-09	Pass-Through	Fogarty International Center	96,327	65,097
					102,263	65,097

Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	CFDA	Award Number/pass-through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
Department of Health and Human Services	93.RD		Pass-Through	Leidos Biomedical Research, Inc.	201,551	-
Total Department of Health and Human Services					5,970,977	663,327
Total Research and Development Cluster					6,386,493	663,327
Medicaid Cluster						
Medical Assistance Program	93.778	SNHH 2-18-19	Pass-Through	Southern New Hampshire Health	131,775	-
Medical Assistance Program	93.778	Not Provided	Pass-Through	NH Dept of Health and Human Services	1,453,798	-
Medical Assistance Program	93.778	RFP-2017-OCOM-01-PHYSI-01	Pass-Through	NH Dept of Health and Human Services	3,106,149	-
Medical Assistance Program	93.778	03420-7235S	Pass-Through	Vermont Department of Health	59,391	
Medical Assistance Program	93.778	03410-2020-19	Pass-Through	Vermont Department of Health	118,786	
Total Medicaid Cluster					4,869,897	-
Highway Safety Cluster						
State and Community Highway Safety	20.600	19-266 Youth Operator	Pass-Through	NH Highway Safety Agency	66,660	-
State and Community Highway Safety	20.600	19-266 BUNH	Pass-Through	NH Highway Safety Agency	76,915	-
State and Community Highway Safety	20.600	19-266 Statewide CPS	Pass-Through	NH Highway Safety Agency	82,202	-
Total Highway Safety Cluster					225,777	-
Other Sponsored Programs						
Department of Justice						
Crime Victim Assistance	16.575	2015-VA-GX0007	Pass-Through	New Hampshire Department of Justice	237,692	-
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	1-CLAR-NH-SA17	Pass-Through	National Children's Alliance	1,448	-
					239,140	-
Department of Education						
Race to the Top	84.412	03440-34119-18-ELCG24	Pass-Through	Vermont Dept for Children and Families	115,094	-
					115,094	-
Department of Health and Human Services						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	Not Provided	Pass-Through	NH Dept of Health and Human Services	69,945	-
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	GENFD0001568485	Pass-Through	Boston Children's Hospital	18,283	
Maternal and Child Health Federal Consolidated Programs	93.110	6 T73MC32393010	Direct		652,997	591,411
Maternal and Child Health Federal Consolidated Programs	93.110	0253-6545-4609	Pass-Through	Icahn School of Medicine at Mount Sinai	19,548	
					672,545	591,411
Emergency Medical Services for Children	93.127	7 H33MC32395010	Direct		137,067	
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	R1140	Pass-Through	Trustees of Dartmouth College	449,757	-
HIV-Related Training and Technical Assistance	93.145	Not Provided	Pass-Through	University of Massachusetts Med School	3,242	
Coordinated Services and Access to Research for Women, Infants, Children	93.153	H12HA31112	Direct		391,629	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	7H79SM063584-01	Direct		24,313	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	RFP-2018-DPHS-01-REGION-1	Pass-Through	NH Dept of Health and Human Services	55,361	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Not Provided	Pass-Through	Vermont Department of Health	227,437	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	03420-A19006S	Pass-Through	Vermont Department of Health	126,764	
					433,875	-
Drug Free Communities Support Program Grants	93.276	5H79SP020382	Direct		126,464	-
Department of Health and Human Services	93.626	RFP-2018-DPHS-01-REGION-1	Pass-Through	NH Dept of Health and Human Services	29,838	-

Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	CFDA	Award Number/pass-through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	19-029	Pass-Through	University of New Hampshire	2,811	-
Adoption Opportunities	93.652	AWD00009303	Direct		32,384	-
Adoption Opportunities	93.652	RFP-2018-DPHS-01-REGION-1	Pass-Through	NH Dept of Health and Human Services	110,524	-
					142,908	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	RFP-2018-DPHS-01-REGION-1	Pass-Through	NH Dept of Health and Human Services	343,297	-
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.761	90FPSG0019	Direct		134,524	-
Opioid STR	93.788	RFP-2018-BDAS-05-INTEG	Pass-Through	NH Dept of Health and Human Services	954,356	61,208
Opioid STR	93.788	2019-BDAS-05-ACCES-04	Pass-Through	NH Dept of Health and Human Services	161,164	-
Opioid STR	93.788	SS-2019-BDAS-05-ACCES-02	Pass-Through	NH Dept of Health and Human Services	243,747	-
					1,359,267	61,208
Organized Approaches to Increase Colorectal Cancer Screening	93.800	5 NU58DP006086	Direct		912,937	-
Hospital Preparedness Program (HPP) Ebola Preparedness	93.817	03420-6755S	Pass-Through	Vermont Department of Health	2,347	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	03420-6951S	Pass-Through	Vermont Department of Health	99,841	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	03420-07623	Pass-Through	Vermont Department of Health	178,907	-
					278,748	-
National Bioterrorism Hospital Preparedness Program	93.889	03420-7272S	Pass-Through	Vermont Department of Health	2,786	-
Rural Health Care Services Outreach, Rural Health Network Develop and Small Health Care Provider Quality Improvement	93.912	6 D06RH31057-02-03	Direct		138,959	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	1 H76HA31654-01-00	Direct		273,666	-
Block Grants for Community Mental Health Services	93.958	9224120	Pass-Through	NH Dept of Health and Human Services	2,498	-
Block Grants for Community Mental Health Services	93.958	RFP-2017-DBH-05-FIRSTE	Pass-Through	NH Dept of Health and Human Services	32,625	-
					35,123	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	05-95-49-491510-2990	Pass-Through	NH Dept of Health and Human Services	69,276	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Not Provided	Pass-Through	Foundation for Healthy Communities	54,356	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	05-95-49-491510-2990	Pass-Through	Foundation for Healthy Communities	1,695	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	03420-A18033S	Pass-Through	Vermont Department of Health	59,204	-
					184,531	-
PPHF Geriatric Education Centers	93.969	U1QHP32519	Direct		728,055	-
Department of Health and Human Services	93.U01	RFP-2018-DPHS-05-INJUR	Pass-Through	NH Highway Safety Agency	80,107	-
Department of Health and Human Services	93.U02	Not Provided	Pass-Through	NH Dept of Health and Human Services	48,459	-
Department of Health and Human Services	93.U03	Not Provided	Pass-Through	NH Dept of Health and Human Services	56,419	-
Department of Health and Human Services	93.U04	Not Provided	Pass-Through	NH Dept of Health and Human Services	37,009	-
Department of Health and Human Services	93.U05	Not Provided	Pass-Through	NH Dept of Health and Human Services	39,853	-
Department of Health and Human Services	93.U06	Not Provided	Pass-Through	County of Cheshire	213,301	-
					474,978	-
Corporation for National and Community Service AmeriCorps	94.006	17ACHNH0010001	Pass-Through	Volunteer NH	72,297	-
					72,297	-
Total Other Programs					7,774,313	652,619
Total Federal Awards and Expenditures					$ 19,256,480	$ 1,315,946

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the activity of federal award programs administered by Dartmouth-Hitchcock Health and Subsidiaries (the "Health System") as defined in the notes to the consolidated financial statements and is presented on an accrual basis. The purpose of this Schedule is to present a summary of those activities of the Health System for the year ended June 30, 2019 which have been financed by the United States government ("federal awards"). For purposes of this Schedule, federal awards include all federal assistance entered into directly between the Health System and the federal government and subawards from nonfederal organizations made under federally sponsored agreements. The information in this Schedule in presented in accordance with the requirements of the Uniform Guidance. Pass-through entity identification numbers and CFDA numbers have been provided where available.

Visiting Nurse and Hospice of NH and VT ("VNH") received a Community Facilities Loan, CFDA #10.766, of which the proceeds were expended in the prior fiscal year. The VNH had an outstanding balance of $2,696,512 as of June 30, 2019. As this loan was related to a project that was completed in the prior audit period and the terms and conditions do not impose continued compliance requirements other than to repay the loan, we have properly excluded the outstanding loan balance from the Schedule.

2. Indirect Expenses

Indirect costs are charged to certain federal grants and contracts at a federally approved predetermined indirect rate, negotiated with the Division of Cost Allocation and therefore we do not use the de minimus 10% rate. The predetermined rate provided for the year ended June 30, 2019 was 29.3%. Indirect costs are included in the reported federal expenditures.

3. Related Party Transactions

The Health System has an affiliation agreement with Dartmouth College dated June 4, 1996 in which the Health System and the Geisel School of Medicine at Dartmouth College affirm their mutual commitment to providing high quality medical care, medical education and medical research at both organizations. Pursuant to this affiliation agreement, certain clinical faculty of the Health System participate in federal research programs administered by Dartmouth College. During the fiscal year ended June 30, 2019, Health System expenditures, which Dartmouth College reimbursed, totaled $3,979,033. Based on the nature of these transactions, the Health System and Dartmouth College do not view these arrangements to be subrecipient transactions but rather view them as Dartmouth College activity. Accordingly, this activity does not appear in the Health System's schedule of expenditures of federal awards for the year ended June 30, 2019.

Part II
Reports on Internal Control and Compliance

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
Dartmouth-Hitchcock Health and subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the consolidated financial statements of Dartmouth-Hitchcock Health and its subsidiaries (the "Health System"), which comprise the consolidated balance sheet as of June 30, 2019, and the related consolidated statements of operations and changes in net assets and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 26, 2019, which included an emphasis of a matter paragraph related to the Health System changing the manner in which it accounts for revenue recognition from contracts with customers and the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for-profit entity in 2019 as discussed in note 2 of the consolidated financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Health System's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control. Accordingly, we do not express an opinion on the effectiveness of the Health System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Health System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 26, 2019

Report of Independent Auditors on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance

To the Board of Trustees of
Dartmouth-Hitchcock Health and subsidiaries

Report on Compliance for Each Major Federal Program

We have audited Dartmouth-Hitchcock Health and its subsidiaries' (the "Health System") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Health System's major federal programs for the year ended June 30, 2019. The Health System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Health System's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Dartmouth-Hitchcock Health and its subsidiaries compliance.

pwc

Opinion on Each Major Federal Program

In our opinion, Dartmouth-Hitchcock Health and its subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Health System are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Health System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Health System's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Boston, Massachusetts
March 31, 2020

Part III
Findings and Questioned Costs

Dartmouth-Hitchcock and Subsidiaries
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified opinion
Internal control over financial reporting	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weakness (es)?	None reported
Noncompliance material to financial statements	No

Federal Awards

Internal control over major programs	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weakness (es)?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified opinion
Audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs

CFDA Number	Name of Federal Program or Cluster
Various CFDA Numbers	Research and Development
93.800	Organized Approaches to Increase Colorectal Cancer Screening
93.788	Opiod STR
93.110	Maternal and Child Health Federal Consolidated Programs
Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	Yes

Dartmouth-Hitchcock and Subsidiaries
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

II. Financial Statement Findings

None Noted

III. Federal Award Findings and Questioned Costs

None Noted

Dartmouth-Hitchcock and Subsidiaries
Summary Schedule of Prior Audit Findings and Status
Year Ended June 30, 2019

There are no findings from prior years that require an update in this report.

DARTMOUTH-HITCHCOCK (D-H) | DARTMOUTH-HITCHCOCK HEALTH (D-HH) BOARDS OF TRUSTEES AND OFFICERS

Effective: January 1, 2021

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Roberta L. Hines, MD MHMH/DHC Trustee *Surgeon-in-Chief, The John Hopkins Hospital*	

Curriculum Vitae

Luke J Archibald, M.D.
[redacted]

Date Prepared: 5/1/2020

Education

8/2005 – 5/2009	M.D., Columbia University College of Physicians and Surgeons New York, NY
8/1998 – 5/2002	Bachelor of Science in Chemistry, University of Notre Dame Notre Dame, IN

Postdoctoral Training

7/2013 – 6/2014	Addiction Psychiatry Fellow New York University School of Medicine
7/2012 – 6/2013	Chief Resident in Psychiatry New York University School of Medicine
7/2009 – 6/2012	Resident in Psychiatry New York University School of Medicine

Academic Appointments

11/2018 – current	Assistant Professor of Psychiatry Geisel School of Medicine at Dartmouth
7/2014 – 10/2018	Clinical Assistant Professor of Psychiatry New York University School of Medicine

Institutional Leadership Roles

11/2018 – current	Director of Addiction Services Department of Psychiatry Dartmouth-Hitchcock Medical Center, Lebanon, NH
1/2017 – 10/2018	Director, Division of Alcoholism and Drug Abuse Department of Psychiatry Bellevue Hospital, New York, NY

7/2015 – 8/2018	Unit Chief, 20 East Dual Diagnosis Department of Psychiatry Bellevue Hospital, New York, NY

Licensure and Certification

2018 – current	State of New Hampshire Board of Medicine, License #19180
2016 – current	State of California Board of Medicine, License #A142053
2014 – current	Buprenorphine certification in accordance with DATA 2000
2010 – current	State of New York License in Medicine, Registration #258530

Board Certification

9/2014 – current	Addiction Psychiatry (certificate #2224) American Board of Psychiatry and Neurology
9/2013 – current	Psychiatry (certificate #66177) American Board of Psychiatry and Neurology

Hospital or Health System Appointments

11/2018 – current	Director of Addiction Services Department of Psychiatry Dartmouth-Hitchcock Medical Center, Lebanon, NH
1/2017 – 10/2018	Director, Division of Alcoholism and Drug Abuse Department of Psychiatry Bellevue Hospital, New York, NY
7/2015 – 8/2018	Unit Chief, 20 East Dual Diagnosis Department of Psychiatry Bellevue Hospital, New York, NY
7/2014 – 6/2015	Attending Psychiatrist Comprehensive Psychiatric Emergency Room (CPEP) Bellevue Hospital, New York, NY
7/2011 – 6/2013	Psychiatry Moonlighter North Shore/LIJ Lenox Hill Hospital, New York, NY

Other Professional Positions

7/2013 – 10/2018	Private Psychiatric Practice New York, NY
6/2002 – 8/2005	Actuarial Analyst, Mercer Consulting (Marsh & McLennan) New York, NY

Professional Development Activities

Teaching Activities

A. Undergraduate teaching ("college" students)
B. Undergraduate Medical Education (UME; "med student") *Classroom* teaching
C. Undergraduate Medical Education (UME; "med student") *Clerkship or other Clinical* (e.g., On-doctoring) teaching

Medical Student Clerkship in Psychiatry
7/2015-8/2018
NYU School of Medicine
Inpatient clinical preceptor
200 hours/year; 16 students/year

Medical Student Pre-Clinical Psychiatry Interviewing Seminar
9/2012 – 11/2012
NYU School of Medicine
Group preceptor
12 hours/year; 8 students/year

D. Graduate Medical Education (GME) teaching: Inclusive of instruction of residents and fellows during clinical practice

Addiction Psychiatry Fellow Supervision
11/2018 – current
Geisel School of Medicine at Dartmouth
Clinical Supervisor, Addiction Treatment Program
50 hours/year; 2 fellows/year

Psychiatry Resident (PGY1) Didactics – "Intern Crash Course"
7/2019 – current
Geisel School of Medicine at Dartmouth
Lecturer
2 hours/year; 8 residents/year

Psychiatry Resident (PGY3) Supervision
7/2014 – 10/2018
NYU School of Medicine
Outpatient Supervisor
40 hours/year; 1 resident/year

Addiction Psychiatry Fellow Supervision
7/2015 – 8/2018
NYU School of Medicine
Supervisor, 20 East Dual Diagnosis Unit rotation
100 hours/year; 5 fellows/year

Addiction Psychiatry Fellow Didactics
7/2016 – 6/2018
NYU School of Medicine
Lecturer
2 hours/year; 5 fellows/year

Psychiatry Resident (PGY1) Didactics: Introduction to Psychiatry
7/2016 – 6/2018
NYU School of Medicine
Lecturer
3 hours/year; 12 residents/year

Psychiatry Resident (PGY1) Supervision
7/2014 – 6/2015
NYU School of Medicine
Supervisor, Comprehensive Psychiatric Emergency Room (CPEP)
100 hours/year; 12 residents/year

E. Other clinical education programs (e.g., PA programs)
F. Graduate teaching (post-college students enrolled in advance degree-granting programs, e.g., MS, MPH, PhD)

Psychology Extern Didactics
7/2015 – 6/2018
Bellevue Hospital, New York, NY
Lecturer
1 hour/year; 10 externs/year

G. Other professional/academic programs (e.g., teaching in courses at MBL or Cold Spring Harbor)

Project ECHO: Mental Health and Substance Use
Dates: 1/14/2020, 3/10/2020
Dartmouth-Hitchcock Knowledge Map
Expert Discussant
2 hours/year, 20 participants/session

Primary Research Advising

Advising/Mentoring (other)

Engagement, Community Service/Education

3/2020 – current
Headrest (Substance Use Disorder treatment program in Lebanon, NH)
Member, Professional Advisory Board
6 hours/year

Research Activities

Pending
Dates: TBD (site was selected on 3/19/2020)
Project title: CTN-0100: Optimizing Retention, Duration, and Discontinuation Strategies for Opioid Use Disorder Pharmacotherapy (RDD)
Your role: site PI
Percent effort: estimated 0.3 FTE
Sponsoring agency: National Institute on Drug Abuse (NIDA)
Annual direct costs of the award (see below)

Program Development

New Hampshire State Opioid Response (SOR): The Doorway
Program Type: clinical
Program Goal: connect individuals seeking help for addiction with support and services via screening and evaluation, treatment, prevention (including naloxone distribution), case management, and peer recovery support
Role: Medical Director, The Doorway at Dartmouth-Hitchcock in Lebanon
Dates: 12/2018 – current
Measurement of impact: GPRA (Government Performance and Results Act) assessments for clients with Opioid Use Disorder (OUD), performed longitudinally

New Hampshire State Opioid Response (SOR): The Doorway After Hours Service
Program Type: clinical
Program Goal: provide telephone support from licensed clinicians for individuals in the state of New Hampshire calling 211 and attempting to access The Doorways during off-hours
Role: Medical Director
Dates: 12/2018 – current
Measurement of impact: quarterly data reports with various indicators including call volume and outcome of each call

NYC Health and Hospitals: Consult for Addiction Treatment and Care in Hospitals (CATCH)
Program Type: clinical and research
Program Goal: establish addiction consult teams at six New York City public hospitals to address the opioid epidemic by increasing MAT prescribing for hospitalized patients
Role: project leader for implementation, Bellevue Hospital
Dates: 7/2017 – 10/2018
Measurement of impact: stepped-wedge cluster randomized trial led by Dr. Jennifer McNeely

Entrepreneurial Activities

Major Committee Assignments, Inclusive of Professional Studies

A. National
B. Regional

C. Institutional

4/2019 – 4/2020	Therapeutic Cannabis Guidance Member, Core Workgroup Dartmouth-Hitchcock
1/2017 – 10/2018	Psychiatry Executive Committee, Department of Psychiatry Member Bellevue Hospital
10/2012 – 1/2018	Psychiatry Residency Selection Committee Member New York University School of Medicine
7/2012 – 6/2013	Psychiatry Residency Education Committee Member New York University School of Medicine
9/2001 – 5/2002	Department of Chemistry Ethics Committee Student Member University of Notre Dame

Institutional Center or Program Affiliations

Editorial Boards

Journal Referee Activity

Awards and Honors

2002	Magna Cum Laude, University of Notre Dame
2002	Merck Index Award for Excellence in Chemistry, University of Notre Dame
2012-2013	Chief Resident in Psychiatry, NYU School of Medicine

Invited Presentations

A. International
B. National
C. Regional/local

Project ECHO: Mental Health and Substance Use * ^
Date: 1/28/2020
Topic: Screening, Assessment, and Diagnosis of Alcohol and Substance Use Disorders
Sponsoring Organization: Dartmouth-Hitchcock Knowledge Map
Location: Lebanon, NH

Bibliography

A. Peer-reviewed publications in print or other media

Archibald L, Brunette M, Wallin D, Green A. Alcohol Use Disorder (AUD) and Schizophrenia or Schizoaffective Disorder. In: Alcohol Use Disorder and Co-Occurring Mental Health Conditions. *Alcohol Research: Current Reviews.* 2019;40(1).

Kwon J., Archibald L., Deringer, E. (2016) Substance Abuse: Intoxication and Withdrawal. In Maloy K. (Ed), *A Case-Based Approach to Emergency Psychiatry.* Oxford University Press.

Archibald L. (2018) Twelve-Step Programs and the Dually Diagnosed. In Avery J, Barnhill J. (Ed), *Co-Occurring Mental Illness and Substance Use Disorders: A Guide to Diagnosis and Treatment.* American Psychiatric Association Publishing.

B. Other scholarly work in print or other media

Archibald L, Budney A. *Letter: What's the rush on marijuana legalization*? Concord Monitor. Published 3/11/2019.

C. Abstracts

Personal Statement

I joined Dartmouth-Hitchcock as the Director of Addiction Services in the Department of Psychiatry in November 2018 and am the medical director of the Dartmouth-Hitchcock Addiction Treatment Program (ATP). Our services include an Intensive Outpatient Program (IOP), medical visits for hundreds of individuals with Opioid Use Disorder (OUD), and a Perinatal Addiction Treatment Program (PATP), and it is the site of the regional hub for the New Hampshire State Opioid Response (SOR) Doorway project. Previously, I worked in the NYU School of Medicine, serving as the Director of the Addiction Division in the Department of Psychiatry at Bellevue Hospital. In that role, I oversaw three clinical programs: the Opioid Treatment Program (OTP), the Chemical Dependency Outpatient Program (CDOP), and the inpatient detoxification and stabilization unit.

Thus far at Dartmouth-Hitchcock, my principal work has focused on expanding and refining the Addiction Treatment Program, including developing The Doorway at Dartmouth-Hitchcock and overseeing significant growth in the number of individuals served at ATP. We were recently selected as a site for a large research study (CTN-0100) aimed at measuring factors of treatment engagement and medication discontinuation strategies for individuals with OUD.

Amy K. Modlin, LICSW, MPA, LMSW, CAADC

[redacted]

Education:

Master of Public Administration, Grand Valley State University, Grand Rapids, MI.

Master of Social Work, Grand Valley State University, Grand Rapids, MI.

- Member Phi Alpha Honor Society
- Native-American Policy Course/Native-American Service Learning Course

Certified Advanced Alcohol and Drug Counselor, Michigan.

Bachelor of Arts, Great Lakes Christian College, Lansing, MI.

- Psychology/Counseling and Family Life Education
- Summa Cum Laude/Delta Epsilon Chi Award/Honor Society of GLCC
- Class Vice President/Student Council Secretary

Professional Experience:

Dartmouth-Hitchcock Medical Center – Lebanon, NH (November 2019-Present)
SUD Therapist – DHMC Addiction Treatment Program

- Conduct SUD intake assessments, individual therapy, IOP, and outpatient group therapy.
- On-call clinician for the Doorway Hub and Spoke program.

Springfield Medical Care Systems – Springfield, VT (August 2017-November 2019)
Behavioral Health Therapist

- Integrated behavioral health and SUD treatment for individuals, couples, families.
- SBINS screening, assessment, brief intervention, and referrals for ED, WHC, CBC.
- MAT intake assessments, individual, and group therapy.

Moved to NH to help take care of a family member (November 2016-August 2017).

Pine Rest Christian Mental Health Services - Holland, MI (February 2012-November 2016)
Outpatient Therapist

- Outpatient therapy to individuals struggling with mental health and co-occurring disorders.
- Supervision to colleagues working on their CAADC certification.
- PMAD panel provider.
- On-call therapist for Pine Rest Detox unit.
- Member of the Recovery Fest Committee.

Pathways - Holland, MI (October 2010-February 2012)
Outpatient Therapist

- Outpatient therapy to individuals struggling with mental health and co-occurring disorders.
- Psycho-educational group therapy involving substance abuse, domestic violence, and recovery from trauma.
- Communication with probation officers, CPS workers, and foster care workers.

Harbor House - Holland, MI (July 2009- October 2010)
Residential Substance Abuse Therapist

- Individual and group therapy for women on issues of substance abuse, PTSD/trauma, and domestic violence.
- Communication with probation officers by providing assessments and monthly progress reports.

J / W

Justin Wardell

Certified Recovery Support Worker / RC

[redacted]
[redacted]
[redacted]

ABOUT ME

My personal experiences with substance abuse has fueled my passion to work with others who struggle with the disease of addiction. I now use my lived experiences and education to help support others in their pursuit of life in recovery.

SKILLS

- Perseverance
- Lived Experience & Education
- Crisis Management
- Motivational Interviewing
- Working within a Team

EDUCATION

Associates Degree / Addiction Counseling
New Hampshire Technical Institute (NHTI)
2015 - 2018

High school Diploma
Wilton / Lyndeborough Coop
2005-2009

EXPERIENCE

Recovery Coach

Dartmouth-Hitchcock Medical Center / Lebanon, NH / Jan 2019 - Current

I work as a peer to support patients in their recovery journey. I help patients learn healthy coping skills, develop connections in the recovery community, and navigate the hurdles that come with both early and long-term recovery.

- Develop peer based recovery support relationships with patient in our program.
- Working with our clinicians to develop techniques that best support our patients in their recovery.
- Facilitating peer-support groups for the patients in our program.

Residential Program Assistant

Headrest / Lebanon, NH / 10/17 – 1/19

Working in this low-intensity residential treatment center I learned how to work with patients on a daily basis who strive for a life in recovery.

- Treatment Planning
- Case Management
- Group Facilitation.

Crisis Hotline Counselor

Headrest / Lebanon, NH / 10/17 – 1/19

Fielding calls for the National Suicide Help line, Local Crisis Line, and Teen Support Line.

- Working with callers to develop safety plans and healthy coping skills.
- Determining through lethality assessment whether to contact emergency services or connecting the caller to community resources.
- Importing data for each caller based on demographics, lethality assessment, referrals and statistical information.

A. Nicole Flickinger

[redacted]

Executive Summary

High-performing Director with clinical experience in medical/surgical and psychiatric nursing environments. Passionate about quality improvement, patient satisfaction and staff engagement. Record of improving efficiency and productivity through process improvement. Outstanding interpersonal and motivational skills. Analytical, articulate and diligent.

Core Competencies

- Strategic Planning
- Prioritizing/managing deadlines
- Patient/family focused
- Policy and program development
- Clinical experience

Professional Experience

Clinical Nurse

July 2018 to present

Dartmouth Hitchcock Medical Center – Lebanon, New Hampshire

- Communicated and collaborated with a diverse group of people for the purpose of informing the healthcare team of plans/actions, for teaching/education to benefit the patient/family organization.
- Handled patient pharmacy needs by coordinating prescriptions to preferred pharmacies and assisting with application and processing of medical assistance through pharmaceutical companies.
- Administered injections and immunizations.

Director of Nursing Operations

March 2017 to August 2017

Brattleboro Retreat – Brattleboro, Vermont

- Implemented a hospital wide on call system to reduce mandated overtime shifts throughout the entire hospital and participated in union negotiations to reach a mutually beneficial scheduling process while also reducing staffing costs.
- Tracks and analyzes budgeted and actual NHPPD, hospital wide acuity, sick calls and mandatory overtime shifts and suggests adjustments on a daily basis to ensure fiscal responsibility and during annual budgeting process.
- Provide direct supervision and mentorship to inpatient clinical managers to mentor
- Project manager for implementation of new HRIS system
- Collaborated with the medical team on creating and implementing a tele-psychiatry program.
- Responsible for training and supervising evening, night and weekend hospital supervisors

Clinical Manager

February 2013 to March 2017

Brattleboro Retreat – Brattleboro, Vermont

- Managed all aspects of day to day operations of a 22 bed adult inpatient co-occurring disorders unit.
- Increased patient satisfaction scores by an average of 4 points up into the 90s on multiple indicators on a non-Press Ganey tool utilized by the Ivy League hospitals. These scores are the highest among the 7 inpatient units in the organization.
- Increased staff engagement scores by an average of 40% on all indicators.
- Implemented a co-occurring disorders focused interactive journaling program.
- Facilitated and implemented a shared governance council.
- Participated in 2 hospital wide FEMA on medication errors and contraband as the nurse representative.
- Implemented hospital wide alcohol detox assessment protocol which eliminated using a homegrown tool to using the nationally validated Comprehensive Alcohol Withdrawal Assessment.
- Interim Manager of the Inpatient Children's Unit from December 2015 through August 2016. During this time I assisted staff in quality improvement projects focusing on points a system which incentivizes children to engage in appropriate behavior.
- Manger of the scheduling department from September 2014 to present.

Nurse Manager

May 2011 to February 2013

Dartmouth Hitchcock Medical Center – Lebanon, New Hampshire

- Ensured and improved clinical practices, services and operations by designing and implementing processes, procedures and methodologies to evaluate and improve patient care within assigned department.
- Managed clinical oversight for 21-bed medical/psychiatric inpatient unit and 10 bed partial hospitalization program.
- Successfully implemented Behavioral Activation Communication Model on inpatient units.
- Created and implemented a hospital wide patient disruptive behavior policy and procedure.
- Active in Hospital Engagement Network Falls Committee.
- Successfully obtained funds for unit reformation to ensure a safer environment for patients.

Charge Nurse

December 2008 to May 2011

Brattleboro Retreat – Brattleboro, Vermont

- Managed all aspects of LGBT unit during 3pm to 11pm shift including: patient assignment, conduct of report meeting, therapeutic groups, regulation of milieu, personnel, and administrative issues.
- Contributed to yearly and ongoing evaluation of nurses and mental health workers and support staff.
- Participated in institution-wide admissions process committee.
- Designed and facilitated unit trainings on patient safety, admissions process, and low stimulation area policy.

Staff Nurse

May 2008 to December 2008

Springfield Hospital – Springfield, Vermont

- Acted as patient advocate and implemented total patient care through a team nursing process covering 5-6 medical/surgical patients per shift.
- Obtained IV certification to insert peripheral lines.

Professional Credentials

- RN License: Vermont # 026.0042153
- RN License: New Hampshire # 064272-21
- Crisis Prevention Institute certification for management of aggressive behavior.
- Basic Life Support certification, American Heart Association

Education and Training

Vermont Technical College May 2008

Nursing

Associate's Degree

Affiliations

- International Association of Forensic Nurses
- American Psychiatric Nurses Association
- American Organization of Nurse Executives
- Journal of Nursing Administration
- Journal of Addictions Nursing

Additional Information

Community Service

- Culinary Coordinator Volunteer for the Strolling of the Heifers – a local food and farmer advocacy organization
- Brattleboro Memorial Hospital Health Fair
- Delaware Humane Society Volunteer
- Byrnes Health Education Center

Karli Shepherd, MS

[redacted]

Objective

I am looking to work closer with those who are struggling with chemical dependency and to grow professionally in this area.

Education

MASTERS | 2018 | WALDEN UNIVERSITY

- Major: Human and Social Services with a focus in Substance Abuse and Addiction Treatment

BACHELOR OF ARTS | 2013 | KEENE STATE COLLEGE

- Major: Psychology
- Related coursework: Early Childhood Development and Sociology

Skills & Abilities

LEADERSHIP

- While at the Patient Service Center within DHMC, I was a Team Lead for General Internal Medicine. I collaborated with the Practice Manager, Associate Practice Manager, and Administrative Supervisor and Master Scheduler and/or the immediate supervisor and other Team Leads to ensure the PSC ran smoothly and had all the up-to-date information regarding the GIM projects, schedules and providers. I am currently working within the Pain Management Clinic at APD as their primary clinical secretary resource. I collaborate with our three Pain Management Providers to ensure that clinic days run smoothly, while also collaborating with the other Clinical Support Representatives to ensure that they have the up-to-date information regarding providers and their schedules.

COMMUNICATION

- While I was the Patient Service Center's acting Team Lead for General Internal Medicine at DHMC, I attended frequent meetings on behalf of my team at the Patient Service Center. During these meetings I acted as the voice for the PSC, regarding my General Internal Medicine team, and communicated to the Practice Manager, Associate Practice Manager, and Administrative Supervisor, Master Scheduler and/or our immediate supervisor and other Team Leads any thoughts and questions the PSC may have had. Following these meetings I would communicate any received feedback to the PSC. Now working at APD, I attend meetings with the Practice Director, Administrative Supervisors, Administrative Surgical Scheduler and my fellow Clinical Support Representatives and communicate day-to-day information and feedback from providers, colleagues and patients. I have also been chosen to represent myself and my colleagues at APD's Safety Meetings.

TEAMWORK

- Since I was young teamwork has been a part of my life, from school projects or school sports to now in the working field. While working at the Patient Service Center, all of the individuals within the PSC, helped to achieve our goals, such as filling schedules, confirming appointments or following up on

patient records, as a team. Although I was the Team Lead for GIM, and worked on my own individual projects, I still worked collaboratively alongside my peers to create efficient work, as well as to cover anyone who was out ill or for an approved vacation day. This remains true while working at APD, as I take on different projects; along with help cover many different positions, including check-in, check-out, training and lab registration.

ADAPATABILITY

- The only constant is change. I am always open to new ideas and am ready to change and adapt as need be, to make sure things run smoothly in and out of the work place.

Experience

RESOURCE SPECIALIST | DARTMOUTH HITCHCOCK MEDICAL CENTER | 04/22/19 – PRESENT

- -assist clinicians and medical providers with resource needs
- -assist patients with resource needs and follow up as needed
- -keep excel spreadsheet of Doorway Flex Fund money spent on resource needs
  - -temporary housing
  - -residential services
  - -insurance
  - -food insecurity
  - -transportation
- -updates to Redcap regarding patients/resources
- -attend IOP groups regarding resource needs
- -getting and keeping up to date information from different community resources
- -assisting resource related 211 calls
- -provide backup coverage of 211 phone as needed

CLINICAL SUPPORT REPRESENTATIVE | ALICE PECK DAY MEMORIAL HOSPITAL | 11/27/17 – 04/12/2019

- -answer incoming calls for the Pain Management Clinic
- -manage Pain Management voicemails
- -schedule appointments for 16 providers in Greenway
- -send messages to 3 teams
- -schedule Treatment Room injections/appointments in both Greenway and Meditech
- -Treatment Room chart prep
- Prior authorizations for Treatment Room injections
- -print/fax/mail letters/records/results
- -assist/chaperon injections/EMG's
- -check out Pain Management patients in patient room
- -inform Pain Management patients of next steps/plans
- -receive/go over necessary information for MRI/EMG scheduling
- -manage incoming Pain Management referrals
- -manage outgoing referrals from the Pain Management clinic
- -check patients in and out at front office

- -next day check in prep
- -confirmation calls for EMG appointments
- -scout Pain Management schedules for early morning/weekly/monthly availability
- -scout Pain Management schedules for errors
- -scan records into patient charts
- -manage workers comp information/appointments and scan into chart

TEAM LEAD, PATIENT SERVICE REPRESENTATIVE | DARTMOUTH HITCHOCK MEDICAL CENTER | 06/09/14 - 11/17/17

- -answer incoming calls for GIM, Lyme, General Pediatrics and Heater Road clinic.
- -schedule visits for 154 providers
- -notify PCP if Pre-Operative appt scheduled with other than PCP
- -notify PCP if Hospital Check with other than PCP
- -Send messages to 23 teams
- -print/fax/mail letters/records/results
- -send cancelation emails to teams alerting them of canceled appointments to fill
- -manage recall lists for all sites
- -manage wait lists
- -onboard new patients (welcome packet, obtain records)
- -follow up on new patient records weekly
- -between call project work (update PCP)
- -GAPs in care work (schedule overdue colo, mammo, pneumovax, well child checks, Medicare Advantage)
- -confirmation calls for tomorrow's appointments
- -refill lines for Heater and GIM
- -scout schedules for early morning availability for next day
- -Daily Availability Report
- -scout schedules for errors

DIETETIC AIDE | DARTMOUTH HITCHOCK MEDICAL CENTER | 01/2011 - 06/2014

- -answer patient phone calls/orders
- -answer nurse calls for patient orders
- -managed patient's certain diets
- -went around to patient floors to take orders/deliver
- -print orders/run out orders
- -managed and delivered tube feeding to floors
- -managed breakfast/lunch/dinner and snacks
- -managed patient food orders for 20 different departments

Dartmouth-Hitchcock Health
Mary Hitchcock Memorial Hospital

Key Personnel

FY'22 Spoke/MAT Program SOR-IIB

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lucas Archibald	Medical Director (MD)	$270,000	10%	$20,250
Amy Modlin	Social Worker, LICSW	$80,080	50%	$30,030
Justin Wardell	Recovery Coach	$42,140	50%	$15,803
Ashley Flickinger	Registered Nurse	$72,800	30%	$16,380
Karli Shepherd	Resource Specialist	$49,400	50%	$18,525

22 mac

Lori A. Shibinette
Commissioner

Katja S. Fox
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

January 4, 2021

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, to **Retroactively** amend existing contracts with the vendors listed below in bold for the provision of medication assisted treatment to individuals with opioid use disorders, by exercising renewal options by increasing the total price limitation by $264,737 from $1,397,138 to $1,661,875 and by extending the completion dates from September 29, 2020 to September 29, 2021 effective upon Governor and Council approval. 100% Federal Funds.

The original contracts were approved by Governor and Council as indicated in the table below.

05-95-92-920510-70400000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: BEHAVIORAL HEALTH DIVISION, STATE OPIOID RESPONSE GRANT

Vendor Name	Vendor Code	Area Served	Current Amount	Increase (Decrease)	Revised Amount	G&C Approval
Elliot Hospital of the City of Manchester	**174360**	**Manchester**	**$271,428**	**$0**	**$271,428**	**O: 1/9/19, Item #9** **A1: 6/24/20, Item #30**
Harbor Homes, Inc.	155358	Nashua	$271,428	$0	$271,428	O: 12/5/18, Item #22
LRGHealthcare	**177161**	**Laconia**	**$271,428**	**$168,098**	**$439,526**	**O: 12/5/18, Item #22**
Mary Hitchcock Memorial Hospital	**177651**	**Lebanon**	**$311,426**	**$96,639**	**$408,065**	**O: 12/5/18, Item #22** **A1: 6/24/20, Item #30**
Riverbend Community Mental health, Inc.	177192	Concord	$271,428	$0	$271,428	O: 12/5/18, Item #22
		Total:	**$1,397,138**	**$264,737**	**$1,661,875**	

See attached fiscal details.

EXPLANATION

This request is **Retroactive** because there cannot be a lapse in services to clients. The State Opioid Response Grant funds anticipated to be available in State Fiscal Year 2020 were not yet appropriated in the operating budget and the Department did not receive the federal award letter for funding in time to submit this request prior to the current contracts expiring.

This purpose of this request is to allow the Contractor to continue providing comprehensive Medication Assisted Treatment to individuals with Substance Use Disorder by using FDA-approved medications. The Contractors ensure the provision of services specifically designed for pregnant and postpartum women with Opioid Use Disorder.

Approximately 1,000 individuals with substance use disorder who are in need of medication assisted treatment will be served from September 30, 2020 to September 29, 2021.

The Department will monitor contracted services through monthly reports to ensure:

- Fifty percent (50%) of individuals with Opioid Use Disorder referred to the Contractors for Medication Assisted Treatment services receive at least three (3) clinically appropriate, Medication Assisted Treatment related services.
- One hundred percent (100%) of clients seeking services that enter care directly through the Contractors, who consent to information sharing with the Regional Doorway for Opioid Use Disorder services, receive a Doorway referral for ongoing care coordination.
- One hundred percent (100%) of clients referred to the Contractors by the Regional Doorway for Opioid Use Disorder services have proper consents in place for transfer of information for the purposes of data collection between the Doorway and the Contractors.

As referenced in C-1, Revisions to Standard Contract Language of the original contracts, the parties have the option to extend the agreements for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for one (1) year of the two (2) years available.

Should the Governor and Executive Council not authorize this request, individuals with Opioid Use Disorder in need of Medication Assisted Treatment and additional supports may have reduced access to services or increased likelihood of having to be placed on a waitlist to access care. This may result in an increase of overdose fatalities during the waiting period and/or reeducated motivation to seek help if it is unavailable to individuals when they are ready to seek assistance for Opioid Use Disorder.

Area served: Manchester, Nashua, Laconia, and Lebanon regions

Source of Funds: CFDA #93.788, FAIN #TI081685 and CFDA #93.788, FAIN #TI083326.

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. Weaver
Deputy Commissioner

DEPARTMENT OF HEALTH AND HUMAN SERVICES
COMMUNITY MENTAL HEALTH CENTER CONTRACT AMENDMENTS
SFY 2016 FINANCIAL DETAIL

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: BEHAVIORAL HEALTH DIV OF BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT
100% Federal Funds CFDA #93.788 FAIN H79TI081685 and H79TI083326

Elliot Hospital of the City of Manchester — Vendor # 174360

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 107,214	$ (66,480)	$ 40,734
2020	102/500731	Contracts for Program Services	92057040	$ 135,714	$ (38,582)	$ 97,132
2021	102/500731	Contracts for Program Services	92057040	$ 28,500	$ -	$ 28,500
2021	102/500731	Contracts for Program Services	92057047	$ -	$ 15,062	$ 15,062
2021	102/500731	Contracts for Program Services	92057048	$ -	$ 60,000	$ 60,000
2022	102/500731	Contracts for Program Services	92057048	$ -	$ 30,000	$ 30,000
		Sub Total		$ 271,428	$ -	$ 271,428

Harbor Homes, Inc — Vendor # 155358

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2020	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2021	102/500731	Contracts for Program Services	92057040	$ -	$ -	$ -
2021	102/500731	Contracts for Program Services	92057047	$ -	$ -	$ -
2021	102/500731	Contracts for Program Services	92057048	$ -	$ -	$ -
2022	102/500731	Contracts for Program Services	92057048	$ -	$ -	$ -
		Sub Total		$ 271,428	$ -	$ 271,428

LRGHealthcare — Vendor #

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2020	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2021	102/500731	Contracts for Program Services	92057040	$ -	$ -	$ -
2021	102/500731	Contracts for Program Services	92057047	$ -	$ 24,098	$ 24,098
2021	102/500731	Contracts for Program Services	92057048	$ -	$ 96,000	$ 96,000
2022	102/500731	Contracts for Program Services	92057048	$ -	$ 48,000	$ 48,000
		Sub Total		$ 271,428	$ 168,098	$ 439,526

DEPARTMENT OF HEALTH AND HUMAN SERVICES
COMMUNITY MENTAL HEALTH CENTER CONTRACT AMENDMENTS
SFY 2016 FINANCIAL DETAIL

Mary Hitchcock Memorial Hospital — Vendor # 176651

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 113,485	$ (113,485)	$ -
2020	102/500731	Contracts for Program Services	92057040	$ 155,941	$ -	$ 155,941
2021	102/500731	Contracts for Program Services	92057040	$ 42,000	$ -	$ 42,000
2021	102/500731	Contracts for Program Services	92057047	$ -	$ 30,124	$ 30,124
2021	102/500731	Contracts for Program Services	92057048	$ -	$ 120,000	$ 120,000
2022	102/500731	Contracts for Program Services	92057048	$ -	$ 60,000	$ 60,000
		Sub Total		$ 311,426	$ 96,639	$ 408,065

Riverbend Community Mental Health — Vendor # 177192

State Fiscal Year	Class / Account	Class Title	Job Number	Current Amount	Increase (Decrease)	Revised Amount
2019	102/500731	Contracts for Program Services	92057040	$ 101,786	$ -	$ 101,786
2020	102/500731	Contracts for Program Services	92057040	$ 135,714	$ -	$ 135,714
2021	102/500731	Contracts for Program Services	92057040	$ 33,928	$ -	$ 33,928
		Sub Total		$ 271,428	$ -	$ 271,428

Overall Total	$ 1,397,138	$ 264,737	$ 1,661,875

State of New Hampshire
Department of Health and Human Services
Amendment #2 to the Medication Assisted Treatment Contract

This 2nd Amendment to the Medication Assisted Treatment contract (hereinafter referred to as "Amendment #2") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Mary Hitchcock Memorial Hospital, (hereinafter referred to as "the Contractor"), a Domestic Nonprofit Corporation with a place of business at One Medical Center Drive, Lebanon, NH 03756.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 5, 2018, (Item #22), as amended on June 24, 2020, (Item #30), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, Paragraph 3, the Contract may be amended and extended upon written agreement of the parties and approval from the Governor and Executive Council; 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. Form P-37 General Provisions, Block 1.7, Completion Date, to read:

   September 29, 2021.

2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

   $408,065.

3. Modify Exhibit A, Scope of Services, Section 2, Scope of Work – Community Based, Subsection 2.7, Paragraph 2.7.3, to read:

   2.7.3 Reserved

4. Modify Exhibit A, Scope of Services, Section 2, Scope of Work – Community Based, Subsection 2.7, Paragraph 2.7.4, to read:

   2.7.4 Coordinate all services delivered to clients with the local or other statewide Regional Hub(s) for OUD services (hereafter referred to as Doorway(s)) including, but not limited to accepting clinical evaluation results for level of care placement from the Doorway(s).

5. Modify Exhibit A, Scope of Services, Section 2, Scope of Work – Community Based, Subsection 2.11, to read:

   2.11 The Contractor shall collaborate and develop formal referral and information sharing agreements with other providers that offer services to individuals with OUD, including the local Doorway.

6. Modify Exhibit A, Scope of Services, Section 2, Scope of Work – Community Based, Subsection 2.12, to read:

   2.12 The Contractor shall communicate client needs with the Doorway(s) to ensure client access to financial assistance through flexible needs funds managed by the Doorway(s).

7. Modify Exhibit A, Scope of Services, Section 6, Reporting and Deliverable Requirements,

Subsection 6.1 to read:

6.1 The Contractor shall coordinate the sharing of client data and service needs with the Doorway(s) to ensure that each patient served has a GPRA interview completed at intake, six (6) months, and discharge.

8. Modify Exhibit A, Scope of Services, Section 6, Reporting and Deliverable Requirements, Subsection 6.2 to read:

6.2 The Contractor shall gather and submit de-identified, aggregate patient data to the Department on the tenth (10th) day of each month using a Department-approved method. The Contractor shall ensure the data collected includes, but is not limited to:

6.2.1. Diagnoses.

6.2.2. Demographic characteristics.

6.2.3. Substance use.

6.2.4. Services received.

6.2.5. Types of MAT received.

6.2.6. Length of stay in treatment.

6.2.7. Employment status.

6.2.8. Criminal justice involvement.

6.2.9. Housing.

9. Modify Exhibit A, Scope of Services, Section 6, Reporting and Deliverable Requirements, Subsection 6.3, to read:

6.3 The Contractor shall submit monthly reports on federally required data points specific to this funding opportunity, as identified by SAMHSA and detailed in Exhibit B.

10. Modify Exhibit A, Scope of Services, Section 6, Reporting and Deliverable Requirements, by adding Subsection 6.5, to read:

6.5 The Contractor shall be required to prepare and submit ad hoc data reports, respond to periodic surveys, and other data collection requests as deemed necessary by the Department and/or SAMHSA.

11. Modify Exhibit A, Scope of Services, Section 7, Performance Measures, by adding Subsection 7.3, to read:

7.3 The Contractor shall collaborate with the Department on the development, reporting, and quality improvement efforts for additional performance measures and outcome indicators.

12. Modify Exhibit A, Scope of Services, by adding Section 8, State Opioid Response (SOR) Grant Standards, to read:

8. State Opioid Response (SOR) Grant Standards

8.1 In order to receive payments for services provided through SOR grant funded initiatives, the Contractor shall ensure each Site:

8.1.1. Establishes formal information sharing and referral agreements with all Doorways for substance use services that comply with all applicable confidentiality laws, including 42 CFR Part 2.

8.1.2. Completes client referrals to applicable Doorways for substance use services within two (2) business days of a client's admission to the program.

8.1.3. Only provides medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

8.2. The Contractor shall ensure that only FDA-approved MAT for OUD is utilized.

8.3. The Contractor shall provide the Department with a budget narrative within thirty (30) days of the contract effective date.

8.4. The Contractor shall meet with the Department within sixty (60) days of the contract effective date to review contract implementation.

8.5. The Contractor shall provide the Department with timelines and implementation plans associated with SOR funded activities to ensure services are in place within thirty (30) days of the contract effective date.

8.5.1. If the Contractor is unable to offer services within the required timeframe, the Contractor shall submit an updated implementation plan to the Department for approval to outline anticipated service start dates.

8.5.2. The Department reserves the right to terminate the contract and liquidate unspent funds, if services are not in place within ninety (90) days of the contract effective date.

8.6. The Contractor shall accept clients for MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

8.7. The Contractor shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

8.8. The Contractor shall ensure that all clients are regularly screened for, tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

8.9. The Contractor shall collaborate with the Department to understand and comply with all appropriate DHHS, State of NH, SAMHSA, and other Federal terms, conditions, and requirement.

8.10. The Contractor shall attest the understanding that SOR grant funds may not be used, directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana. The Contractor agrees that:

8.10.1. Treatment in this context includes the treatment of opioid use disorder (OUD).

8.10.2. Grant funds also cannot be provided to any individual who or organization that provides or permits marijuana use for the purposes of treating substance use or mental disorders.

8.10.3. This marijuana restriction applies to all subcontracts and memorandums of understanding (MOU) that receive SOR funding.

8.10.4. Attestations will be provided to the Contractor by the Department.

8.10.5. The Contractor shall complete and submit all attestations to the Department within thirty (30) days of contract approval.

8.11. The Contractor shall refer to Exhibit B for grant terms and conditions including, but not limited to:

8.11.1. Invoicing;

8.11.2. Funding restrictions; and

8.11.3. Billing.

13. Modify Exhibit B, Methods and Conditions Precedent to Payment by replacing in its entirety with Exhibit B Amendment #2, Methods and Conditions Precedent to Payment, which is attached hereto and incorporated by reference herein.
14. Modify Exhibit B-3 Amendment #1 Budget by reducing the total budget amount by $30,124, which is identified as unspent funding that is being carried forward to fund the activities in this Agreement for SFY 21 (September 30, 2020 through December 31, 2020) as specified in Exhibit B-4 Amendment #2 Budget NCE.
15. Add Exhibit B-4 Amendment #2 Budget NCE, which is attached hereto and incorporated by reference herein.
16. Add Exhibit B-5 Amendment #2 Budget SOR II, which is attached hereto and incorporated by reference herein.
17. Add Exhibit B-6 Amendment #2 Budget SOR II, which is attached hereto and incorporated by reference herein.

New Hampshire Department of Health and Human Services
Medication Assisted Treatment

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #2 remain in full force and effect. This amendment shall be retroactively effective to September 29, 2020 upon the date of Governor and Executive Council approval.

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

1/5/2021
Date

DocuSigned by:
Katja Fox
Name: Katja Fox
Title: Director

Mary Hitchcock Memorial Hospital

1/5/2021
Date

DocuSigned by:
Jennifer Lopez
Name: Jennifer Lopez
Title: Director of Research Operations Finance

New Hampshire Department of Health and Human Services
Medication Assisted Treatment

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

OFFICE OF THE ATTORNEY GENERAL

1/5/2021
Date

DocuSigned by:
05CA8202E32C4AE...
Name: Catherine Pinos
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

New Hampshire Department of Health and Human Services
Medication Assisted Treatment

EXHIBIT B Amendment #2

Methods and Conditions Precedent to Payment

1. This Agreement is funded by100% Federal funds from the State Opioid Response Grant, as awarded on 09/30/2018, by the U.S. DHHS, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI081685, and as awarded on 09/30/2020, by the DHHS, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI083326.
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. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line item, as specified in Exhibit B-1 Budget through Exhibit B-6 Amendment #2 Budget SOR II.
4. The Contractor shall seek payment for services, as follows:
   4.1. First, the Contractor shall charge the client's private insurance or other payor sources.
   4.2. Second, the Contractor shall charge Medicare.
   4.3. Third, the Contractor shall charge Medicaid enrolled individuals, as follows:
      4.3.1. Medicaid Care Management: If enrolled with a Managed Care Organization (MCO), the Contractor shall be paid in accordance with its contract with the MCO.
      4.3.2. Medicaid Fee for Service: The Contractor shall bill Medicaid for services on the Fee for Service (FFS) schedule.
   4.4. Fourth, the Contractor shall charge the client in accordance with the Sliding Fee Scale Program.
   4.5. Lastly, if any portion of the amount specified in the Sliding Fee Scale remains unpaid, charge the Department for the unpaid balance.
5. The Contractor shall submit an invoice in a form satisfactory to the State by the 25th working day of the following month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The Contractor shall ensure the invoice is completed, dated and returned to the Department in order to initiate payment. Invoices shall be net any other revenue received towards the services billed in fulfillment of this agreement. The Contractor shall ensure:

5.1. Backup documentation includes, but is not limited to:

5.1.1. General Ledger showing revenue and expenses for the contract.

5.1.2. Timesheets and/or time cards that support the hours employees worked for wages reported under this contract.

5.1.2.1. Per 45 CFR Part 75.430(i)(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

5.1.2.2. Attestation and time tracking templates, which are available to the Department upon request.

5.1.3. Invoices supporting expenses reported.

5.1.3.1. Unallowable expenses include, but are not limited to:

5.1.3.1.1. Amounts belonging to other programs.

5.1.3.1.2. Amounts prior to effective date of contract.

5.1.3.1.3. Construction or renovation expenses.

5.1.3.1.4. Food or water for employees.

5.1.3.1.5. Directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana.

5.1.3.1.6. Fines, fees, or penalties.

5.1.3.1.7. Per SAMSHA requirements, meals are generally unallowable unless they are an integral part of a conference grant or specifically stated as an allowable expense in the FOA. Grant funds may be used for light snacks, not to exceed three dollars ($3.00) per person for clients.

5.1.3.1.8. Cell phones and cell phone minutes for clients.

5.1.4. Receipts for expenses within the applicable state fiscal year.

5.1.5. Cost center reports.

5.1.6. Profit and loss report.

5.1.7. Remittance Advices from the insurances billed. Remittance Advices do not need to be supplied with the invoice, but should be retained to be available upon request.

5.1.8. Information requested by the Department verifying allocation or offset based on third party revenue received.

5.1.9. Summaries of patient services revenue and operating revenue and other financial information as requested by the Department.

6. The Contractor is responsible for reviewing, understanding, and complying with further restrictions included in the Funding Opportunity Announcement (FOA).

7. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to melissa.girard@dhhs.nh.gov, or invoices may be mailed to:

SOR Financial Manager
Department of Health and Human Services
105 Pleasant Street
Concord, NH 03301

8. The Contractor agrees that billing submitted for review after twenty (20) business days of the last day of the billing month may be subject to non-payment.

9. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10. The final invoice shall be due to the State no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.

11. The Contractor must provide the services in Exhibit A, Scope of Services, in compliance with funding requirements.

12. The Contractor agrees that funding under this Agreement may be withheld, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit A, Scope of Services, including failure to submit required monthly and/or quarterly reports.

13. Notwithstanding Paragraph 18 of the General Provisions 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.

14. Audits

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

14.1.1. 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.

14.1.2. 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.

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

14.2. 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.

14.3. 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.

14.4. Any Contractor that receives an amount equal to or greater than $250,000 from the Department during a single fiscal year, regardless of the funding source, may be required, at a minimum, to submit annual financial audits performed by an independent CPA if the Department's risk assessment determination indicates the Contractor is high-risk.

14.5. 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.

Exhibit B-4, Amendment #2 HCE

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Contractor Name: Mary Hitchcock Memorial Hospital

Budget Request for: Medication Assisted Treatment

Budget Period: SFY21 (06/30/20-12/31/20) (HCE)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	17,662.00	5,481.00	23,143.00	-	-	-	17,662.00	5,481.00	23,143.00
2. Employee Benefits	8,314.00	1,847.00	10,161.00	-	-	-	8,314.00	1,847.00	10,161.00
3. Consultants	-	-	-	-	-	-	-	-	-
4. Equipment:	-	-	-	-	-	-	-	-	-
Rental	-	-	-	-	-	-	-	-	-
Repair and Maintenance	-	-	-	-	-	-	-	-	-
Purchase/Depreciation	-	-	-	-	-	-	-	-	-
5. Supplies:	-	-	-	-	-	-	-	-	-
Educational	-	-	-	-	-	-	-	-	-
Lab	-	-	-	-	-	-	-	-	-
Pharmacy	-	-	-	-	-	-	-	-	-
Medical	-	-	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-	-	-
6. Travel	-	-	-	-	-	-	-	-	-
7. Occupancy	-	-	-	-	-	-	-	-	-
8. Current Expenses	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-	-
Subscriptions	-	-	-	-	-	-	-	-	-
Audit and Legal	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
9. Software	-	-	-	-	-	-	-	-	-
10. Marketing/Communications	-	-	-	-	-	-	-	-	-
11. Staff Education and Training	-	-	-	-	-	-	-	-	-
12. Subcontracts/Agreements	-	-	-	-	-	-	-	-	-
13. Other (specific details mandatory):	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
TOTAL	25,976.00	7,328.00	33,304.00	-	-	-	25,976.00	7,328.00	33,304.00
Indirect As A Percent of Direct		28.2%							

Mary Hitchcock Memorial Hospital
RFP-2018-BDAS-09-MEDIC-04-A02
Exhibit B-4 Amendment #2 HCE
Page 1 of 1

DS
Contractor Initials
1/5/2021
Date

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Contractor Name: Mary Hitchcock Memorial Hospital

Budget Request for: Medication Assisted Treatment

Budget Period: SFY21 (01/01/21-06/30/21) (BOR1)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS Contract Share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$8,425.00	$1,425.00	$17,575.00				$8,425.00	$1,425.00	$17,575.00
2. Employee Benefits	$1,466.00	$6,347.00	$17,733.00				$1,466.00	$6,347.00	$17,733.00
3. Consultants									
4. Equipment:									
Rental									
Repair and Maintenance									
Purchase/Depreciation									
5. Supplies:									
Educational									
Lab									
Pharmacy									
Medical									
Office									
6. Travel									
7. Occupancy									
8. Current Expenses									
Telephone									
Postage									
Subscriptions									
Audit and Legal									
Insurance									
Board Expenses									
9. Software									
10. Marketing/Communications									
11. Staff Education and Training									
12. Subcontracts/Agreements									
13. Other (specific details mandatory):									
TOTAL	$9,891.00	$7,772.00	$35,308.00				$9,891.00	$7,772.00	$35,308.00

Indirect As A Percent of Direct: 78.6%

DS
Contractor Initials: GL
Date: 1/7/2021

Exhibit B-4 Amendment #2 BOR #

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Contractor Name: Mary Hitchcock Memorial Hospital

Budget Request for: Medication Assisted Treatment

Budget Period: SFY22 07/01/21-06/30/21 (SCRB)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 33,674.00	$ 11,117.58	$ 44,791.58	$ -	$ -	$ -	$ 33,674.00	$ 11,117.58	$ 44,791.58
2. Employee Benefits	$ 9,967.00	$ 3,947.00	$ 13,914.00	$ -	$ -	$ -	$ 9,967.00	$ 3,947.00	$ 13,914.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 43,641.00	$ 15,064.58	$ 58,705.58	$ -	$ -	$ -	$ 43,641.00	$ 15,064.58	$ 58,705.58
Indirect As A Percent of Direct		34.5%							

DS
GL
Contractor Initials
1/5/2021
Date

JUN11 '20 PM 3:17 DAS

30 mac

Lori A. Shibinette
Commissioner

Katja S. Fox
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

June 10, 2020

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, to amend existing contracts with the vendors listed below in bold that provide medication assisted treatment to individuals with opioid use disorders by adding budgets for State Fiscal Year 2021, with no change to the price limitation of $1,397,138 and no change to the contract completion dates of September 29, 2020 effective upon Governor and Council approval..

The contracts were approved by the Governor and Executive Council as indicated in the table below.

Vendor Name	Vendor Code	Area Served	Current Amount	Increase/ (Decrease)	New Amount	G&C Approval
Elliot Health System of the City of Manchester, Manchester NH	174360	Manchester	$271,428	$0	$271,428	O: 1/8/2020 item #9
Harbor Homes, Inc., Nashua NH	155358	Nashua	$271,428	$0	$271,428	O: 12/5/18 item #22
LRGHealthcare, Laconia NH	177161	Laconia	$271,428	$0	$271,428	O: 12/5/18 item #22
Mary Hitchcock Memorial Hospital, Lebanon NH	177651	Lebanon	$311,426	$0	$311,426	O: 12/5/18 item #22
Riverbend Community Mental Health, Inc., Concord NH	177192	Concord	$271,428	$0	$271,428	O: 12/5/18 item #22
		Total	**$1,397,138**	**$0**	**$1,397,138**	

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

See attached fiscal details.

EXPLANATION

The purpose of this request is add budgets to the contracts for State Fiscal Year 2021. In accordance with the terms of Exhibit B Method and Conditions Precedent to Payment, the budgets are to be submitted to Governor and Executive Council for approval no later than June 30, 2020.. State Fiscal Year 2019 budgets are being reduced by a total amount of $104,428, which is identified as unspent funding that is being carried forward to fund activities in the contract for State Fiscal Year 2021, specifically July 1, 2020 through September 29, 2020. The other two vendors not listed in bold have will not require a carry forward because the funding has been used for State Fiscal Year 2019.

Approximately 380 individuals will be served from July 1, 2020 to September 30, 2020. These contractors provide comprehensive Medication Assisted Treatment using FDA-approved medications for individuals with Opioid Use Disorder who require community-based services. These agreements also ensure the provision of services specifically designed for pregnant and postpartum women with OUD.

The Department has been monitoring the contracted services using the following performance measures:

- Fifty percent (50%) of individuals with Opioid Use Disorder referred to the Vendor for Medication Assisted Treatment services receive at least three (3) clinically-appropriate, MAT-related services.
- One hundred percent (100%) of clients seeking services under this proposed contract that enter care directly through the Vendor, who consent to information sharing with the Regional Hub for Opioid Use Disorder services, receive a Hub referral for ongoing care coordination.
- One hundred percent (100%) of clients referred to the Vendor by the Regional Hub for Opioid Use Disorder services have proper consents in place for transfer of information for the purposes of data collection between the Hub and the Vendor.

As referenced in Exhibit C-1 Revisions to Standard Contract Language of the original contracts, the parties have the option to extend the agreements for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is not exercising its option to renew at this time.

Should the Governor and Council not authorize this request, the Department may not have the ability to ensure proper billing and proper use of funding by the vendors.

Area served: Integrated Delivery Network (IDN) Regions 1-5

Respectfully submitted,

Lori A. Shibinette
Commissioner

Financial Detail

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: BEHAVIORAL HEALTH DIV OF, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT					
100% Federal Funds					
Activity Code: 92057040					
Elliot Heath System					
Vendor # 174360					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**	**Increase/ (Decrease)**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$135,714	$ (28,500.00)	$ 107,214.00
2020	Contracts for Prog Svs	102-500731	$135,714		$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$0	$ 28,500.00	$ 28,500.00
		Subtotal	$271,428	$0	$271,428
Harbor Homes					
Vendor # 155358					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**		**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -	$ -	$ -
		Subtotal	$ 271,428.00	$ -	$ 271,428.00
LRG Healthcare					
Vendor # 177161					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**		**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -	$ -	$ -
		Subtotal	$ 271,428.00	$ -	$ 271,428.00
Mary Hitchcock					
Vendor # 177651					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**		**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 155,485.00	$ (42,000.00)	$ 113,485.00
2020	Contracts for Prog Svs	102-500731	$ 155,941.00	$ -	$ 155,941.00
2021	Contracts for Prog Svs	102-500731	$ -	$ 42,000.00	$ 42,000.00
		Subtotal	$ 311,426.00	$ -	$ 311,426.00
Riverbend Community Mental Health					
Vendor # 177192					
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**		**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00	$ (33,928.00)	$ 101,786.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00	$ -	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -	$ 33,928.00	$ 33,928.00
		Subtotal	$ 271,428.00	$ -	$ 271,428.00
		TOTAL	$ 1,397,138.00	$ -	$ 1,397,138.00

Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH
BUREAU OF DRUG AND ALCOHOL SERVICES

105 PLEASANT STREET, CONCORD, NH 03301
603-271-6110 1-800-852-3345 Ext. 6738
Fax: 603-271-6105 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

November 14, 2018

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, Bureau of Drug and Alcohol Services, to enter into agreements with the vendors listed below, to provide comprehensive Medication Assisted Treatment, in an amount not to exceed $1,125,710, effective upon Governor and Executive Council approval through September 29, 2020. 100% Federal Funds.

Vendor Name	Vendor ID	Vendor Address	Amount
Harbor Homes, Inc.	155358	77 Northeastern Blvd, Nashua, NH 03062	$271,428
LRGHealthcare	177161	80 Highland St. Laconia, NH 003246	$271,428
Mary Hitchcock Memorial Hospital	177651	One Medical Center Drive Lebanon, NH 03756	$311,426
Riverbend Community Mental Health, Inc.	177192	278 Pleasant Street, Concord, NH 03302	$271,428
		Total	$1,125,710

Funds are available in the following account for State Fiscal Year (SFY) 2019, and are anticipated to be available in SFY 2020 and SFY 2021, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT.

SFY	Class/ Account	Class Title	Job Number	Total Amount
2019	102-500731	Contracts for Program Services	92057040	$562,627
2020	102-500731	Contracts for Program Services	92057040	$563,083
			Total	$1,125,710

EXPLANATION

The purpose of this request is for the provision of comprehensive Medication Assisted Treatment (MAT) using FDA-approved medications for individuals with Opioid Use Disorder (OUD) who require community-based services. These agreements also ensure the provision of services specifically designed for pregnant and postpartum women with OUD. There is an additional agreement that will be put forth at a later date.

These services are part of the State's accepted plan to the Substance Abuse and Mental Health Services Administration (SAMHSA) under the State Opioid Response (SOR) grant. This grant is being used to make critical investments in the substance use disorder system in order to reduce unmet treatment needs, reduce opioid overdose fatalities, and increase access to MAT over the next two (2) years.

The vendors will provide services to individuals with OUD in need of evidence-based MAT alongside necessary outpatient and wrap around services to support recovery. Vendors will provide MAT services to the general population as well as enhanced services for pregnant and postpartum women in need of additional supports to be successful in recovery including, but not limited to childcare, transportation and parenting education.

Unique to these services is a robust level of client-specific data that will be available, which will be collected in coordination with the nine (9) Regional Hubs that were approved by Governor and Executive Council at the October 31, 2018 meeting. The SOR grant requires that all individuals served receive a comprehensive assessment at several time intervals, specifically at intake, three (3) months, six (6) months and upon discharge. Through collaborative agreements with the Vendors under these contracts, the Regional Hubs will be responsible for gathering data on client-related outcomes including, but not limited to recovery status, criminal justice involvement, employment, and housing needs at the time intervals listed

above. This data will enable the Department to measure short and long-term outcomes associated with SOR-funded initiatives and to determine which programs are generating the best results for the clients served.

In addition to the client-level outcomes noted above, the following performance measures will be used to measure the effectiveness of the agreement:

- Fifty percent (50%) of individuals with OUD referred to the Vendor for MAT services receive at least three (3) clinically-appropriate, MAT-related services.
- One hundred percent (100%) of clients seeking services under this proposed contract that enter care directly through the Vendor, who consent to information sharing with the Regional Hub for OUD services, receive a Hub referral for ongoing care coordination.
- One hundred percent (100%) of clients referred to the Vendor by the Regional Hub for OUD services have proper consents in place for transfer of information for the purposes of data collection between the Hub and the Vendor.

A Request for Proposals was posted on The Department of Health and Human Services' web site from September 5, 2018 through September 26, 2018. The Department received six (6) proposals. The proposals were reviewed and scored by a team of individuals with program specific knowledge. The review included a thorough discussion of the strengths and weaknesses of the proposals/applications. The four (4) vendors listed in the Requested Action as well as Elliot Hospital who will be submitted at a later date were selected. The Score Summary is attached.

As referenced in the Request for Proposals and in Exhibit C-1 of these contracts, these agreements have the option to extend for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.

Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

Should the Governor and Executive Council not authorize this request, individuals with OUD in need of MAT and additional supports may have reduced access to services or increased likelihood of having to be placed on a waitlist to access care. This may result in a an increase of overdose fatalities during the waiting period and/or reduced motivation to seek help if it is unavailable to individuals when they are ready to seek assistance for OUD.

Area served: Integrated Delivery Network (IDN) Regions 1-5

Source of Funds: 100% Federal Funds from the Substance Abuse and Mental Health Services Administration, State Opioid Response Grant, (CFDA #93.788, FAIN TI081685)

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

Respectfully submitted,

Katja S. Fox
Director

Approved by:
Jeffrey A. Meyers
Commissioner

Financial Detail

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: BEHAVIORAL HEALTH DIV OF, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT			
100% Federal Funds			
Activity Code: 92057040			
Harbor Homes			
Vendor # 155358			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -
		Subtotal	**$ 271,428.00**
LRG Healthcare			
Vendor # 177161			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -
		Subtotal	**$ 271,428.00**
Mary Hitchcock			
Vendor # 177651			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 155,485.00
2020	Contracts for Prog Svs	102-500731	$ 155,941.00
2021	Contracts for Prog Svs	102-500731	$ -
		Subtotal	**$ 311,426.00**
Riverbend Community Mental Health			
Vendor # 177192			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	
		Subtotal	**$ 271,428.00**
		TOTAL	**$ 1,125,710.00**

New Hampshire Department of Health and Human Services
Office of Business Operations
Contracts & Procurement Unit
Summary Scoring Sheet

Medication Assisted Treatment
RFP Name

RFP-2019-BDAS-05-MEDIC
RFP Number

Bidder Name	Pass/Fail	Maximum Points	Actual Points
1. Elliot Health System		610	499
2. Harbor Homes, Inc.		610	601
3. LRGHealthcare		610	450
4. Mary Hitchcock Memorial Hospital		610	393
5. New Approaches, Inc.		610	132
6. Riverbend CMH, Inc.		610	477

Reviewer Names

1. Abby Shockley, Snr Policy Analyst, Substnc Use Srvs DBH
2. Regina Flynn, MAT-PDOA Project Coordinator, BDAS
3. Ann Collins, RN Public Health Nurse Coordnatr, BCHS-OPHS
4. Laurie Heath, Business Admin III, DBH/BDAS Finance
5.
6.
7.
8.

State of New Hampshire
Department of Health and Human Services
Amendment #1

This Amendment to the Medication Assisted Treatment contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and Concord Hospital - Laconia ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 2, 2021 (Item #27), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 17, and Exhibit A, Revisions to General Provisions, Section 1, Subsection 1.2, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; 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. Form P-37 General Provisions, Block 1.3, Contractor Name, to read:

   Concord Hospital - Laconia

2. Form P-37 General Provisions, Block 1.7, Completion Date, to read:

   June 30, 2022.

3. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

   $144,049.

4. Modify Exhibit A, Section 8, State Opioid Response (SOR) Grant Standards, Subsection 8.3 to read:

   8.3 Reserved

5. Modify Exhibit B, Scope of Services, Section 8, State Opioid Response (SOR) Grant Standards, Subsection 8.10., to read:

   8.10. The Contractor shall ensure that SOR grant funds are not used to purchase, prescribe, or provide marijuana or provide treatment using marijuana. The Contractor shall ensure:

   8.10.1. Treatment in this context includes the treatment of opioid use disorder (OUD).

   8.10.2. Grant funds are not provided to any individual who, or organization that, provides or permits marijuana use for the purposes of treating substance use or mental disorders.

   8.10.3. This marijuana restriction applies to all subcontracts and memorandums of understanding (MOU) that receive SOR funding.

6. Modify Exhibit B, Scope of Services, Section 8, State Opioid Response (SOR) Grant Standards, by adding Paragraph 8.12., to read:

   8.12. The Contractor shall provide a Fentanyl test strip utilization plan to the Department for approval prior to implementation. The Contractor shall ensure the utilization plan

includes:

8.12.1 Internal policies for the distribution of Fentanyl strips;

8.12.2 Distribution methods and frequency; and

8.12.3 Other key data, as requested by the Department.

7. Modify Exhibit C, Payment Terms, Section 1, to read:

1. This Agreement is funded by 100% Federal funds from the State Opioid Response Grant, as awarded on 09/30/2018, by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI081685, and as awarded on 09/30/2020, by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI083326, and as awarded on 08/09/2021, by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI083326.

8. Modify Exhibit C, Payment Terms, Section 3, to read:

3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line item, as specified in Exhibit C-1, Budget through Exhibit C-3, Amendment #1 Budget, SOR II.

9. Modify Exhibit C, Payment Terms, Section 5., to read:

5. The Contractor shall submit an invoice and supporting backup documentation in a form satisfactory to the State by the fifteenth (15th) working day of the following month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The Contractor shall ensure the invoice is completed, dated and returned to the Department in order to initiate payment. Invoices shall be net any other revenue received towards the services billed in fulfillment of this agreement. The Contractor shall ensure:

5.1. Backup documentation includes, but is not limited to:

5.1.1. General Ledger showing revenue and expenses for the contract.

5.1.2. Timesheets and/or time cards that support the hours employees worked for wages reported under this contract.

5.1.2.1. Per 45 CFR Part 75.430(i)(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

5.1.2.2. Attestation and time tracking templates, which are available to the Department upon request.

5.1.3. Invoices supporting expenses reported.

5.1.3.1. Unallowable expenses include, but are not limited to:

5.1.3.1.1. Amounts belonging to other programs.

5.1.3.1.2. Amounts prior to effective date of contract.

5.1.3.1.3. Construction or renovation expenses.

5.1.3.1.4. Food or water for employees.

5.1.3.1.5. Directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana.

5.1.3.1.6. Fines, fees, or penalties.

5.1.3.1.7. Per SAMSHA requirements, meals are generally

unallowable unless they are an integral part of a conference grant or specifically stated as an allowable expense in the FOA. Grant funds may be used for light snacks, not to exceed three dollars ($3.00) per person for clients.

5.1.3.1.8. Cell phones and cell phone minutes for clients.

5.1.4. Receipts for expenses within the applicable state fiscal year.

5.1.5. Cost center reports.

5.1.6. Profit and loss report.

5.1.7. Remittance Advices from the insurances billed. Remittance Advices do not need to be supplied with the invoice, but should be retained to be available upon request.

5.1.8. Information requested by the Department verifying allocation or offset based on third party revenue received.

5.1.9. Summaries of patient services revenue and operating revenue and other financial information as requested by the Department.

10. Add Exhibit C-3, Amendment #2 Budget, SOR II, which is attached hereto and incorporated by reference herein.

All terms and conditions of the Contract and prior amendments not modified by this Amendment remain in full force and effect. This Amendment shall be effective upon the date of Governor and Executive Council approval.

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

State of New Hampshire
Department of Health and Human Services

9/8/2021
Date

DocuSigned by:
Katja Fox
ED9D05B84C063442...
Name: Katja Fox
Title: Director

Concord Hospital, Inc. – Laconia

9/7/2021
Date

DocuSigned by:
Scott W Sloane
4D0F5A1FCB9C4A2B...
Name: Scott W Sloane
Title: Chief Financial Officer

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

OFFICE OF THE ATTORNEY GENERAL

9/9/2021
Date

DocuSigned by:
J. Christopher Marshall
Name: J. Christopher Marshall
Title: Assistant Attorney General

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Contractor Name: Concord Hospital - Laconia

Project Title: Medication Assisted Treatment

Budget Period: SFY22 09/30/21-06/30/22

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 34,650.00	$ -	$ 34,650.00	$ -	$ -	$ -	$ 34,650.00	$ -	$ 34,650.00
2. Employee Benefits	$ 8,316.00	$ -	$ 8,316.00	$ -	$ -	$ -	$ 8,316.00	$ -	$ 8,316.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ 468.00	$ -	$ 468.00	$ -	$ -	$ -	$ 468.00	$ -	$ 468.00
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ 2,700.00	$ -	$ 2,700.00	$ -	$ -	$ -	$ 2,700.00	$ -	$ 2,700.00
11. Staff Education and Training	$ 2,915.00	$ -	$ 2,915.00	$ -	$ -	$ -	$ 2,915.00	$ -	$ 2,915.00
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 49,049.00	$ -	$ 49,049.00	$ -	$ -	$ -	$ 49,049.00	$ -	$ 49,049.00
Indirect As A Percent of Direct		0.0%							

Contractor Initials SDS

Date 9/7/2021

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CONCORD HOSPITAL - LACONIA is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 18, 2020. 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: **842949**

Certificate Number: **0005342938**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 7th day of April A.D. 2021.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Robert P. Steigmeyer, President & CEO hereby certify that:

1. I am duly elected Officer of Concord Hospital-Laconia

2. The following is a true copy of a vote taken at a meeting of the Board of Trustees, duly called and held on April 13.2021, at which a quorum of the Trustees were present and voting.

VOTED: That Scott Sloane, Treasurer is duly authorized on behalf of Concord Hospital-Laconia 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 judgement 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 positions(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: 9/9/2021

Signature of Elected Officer
Name: Robert P. Steigmeyer
Title: President & CEO

State of New Hampshire

Department of Labor

Ken Merrifield
Commissioner of Labor

Rudolph Ogden, III
Deputy Labor
Commissioner

Hugh J. Gallen
State Office Park
Spaulding Building
95 Pleasant Street
Concord, NH 03301
603/271-3176
TDD Access: Relay NH
1-800-735-2964
FAX: 603/271-6149
http://www.nh.gov/labor

April 29, 2021

Dick Ford
Capital Region Health Care Self-insured Group
250 Pleasant Street
Concord, NH 03301

Re: Request to add Concord Hospital – Laconia (FEIN 85-1443782)

Dear Mr. Ford

The New Hampshire Department of Labor is in receipt of the request to add Concord Hospital – Laconia to the Capital Region Health Care Self-insured Group. The required document to add this entity was received by the Department of Labor on April 29, 2021.

The request and supporting documentation has been reviewed. Please be advised that the request to add Concord Hospital – Laconia to Capital Region Health Care Self-insured Group is APPROVED, with a coverage effective date of May 01, 2021.

Thank you for your time and attention.

Caroline C. Kelly

Caroline C. Kelly
Assistant Director, Workers Compensation Division
New Hampshire Department of Labor

cc: Robert Romano

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/30/2020

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 MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com CN107277064-CHS-gener-21-22	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED CAPITAL REGION HEALTHCARE CORPORATION & CONCORD HOSPITAL, INC. ATTN: KATHY LAMONTAGNE, ADMINISTRATION 250 PLEASANT STREET CONCORD, NH 03301	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Granite Shield Insurance Exchange INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** NYC-010660600-04 **REVISION NUMBER:** 3

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			GSIE-PRIM-2021-101	01/01/2021	01/01/2022	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 12,000,000
	POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB [ ] OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability			GSIE-PRIM-2021-101	01/01/2021	01/01/2022		SEE ABOVE

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

Evidence of coverage for Concord Regional Visiting Nurse Association (CRVNA)

GENERAL LIABILITY AND PROFESSIONAL LIABILITY SHARE A COMBINED LIMIT OF 2,000,000/12,000,000. HOSPITAL PROFESSIONAL LIABILITY RETRO ACTIVE DATE 1/1/2005 EACH OCCURRENCE AND AGGREGATE LIMITS ARE SHARED AMONGST THE GRANITE SHIELD EXCHANGE HOSPITALS.

CERTIFICATE HOLDER

State of New Hampshire
Dept. of Health & Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Elizabeth Stapleton

CAPIREG-01 AZIDOW

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/8/2020

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

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

PRODUCER License # 1780862 HUB International New England 275 US Route 1 Cumberland Foreside, ME 04110	CONTACT NAME: PHONE (A/C, No, Ext): (207) 829-3450 FAX (A/C, No): (207) 829-6350 E-MAIL ADDRESS:
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A : Hanover Insurance Company — 22292
INSURED Capital Region Healthcare Corporation 250 Pleasant Street Concord, NH 03301	INSURER B : Safety National Casualty Corporation — 15105
	INSURER C :
	INSURER D :
	INSURER E :
	INSURER F :

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	[ ] CLAIMS-MADE [ ] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	[ ] POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$
	[ ] OTHER:							$
A	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	[ ] ANY AUTO			AWPH38382700	10/1/2020	10/1/2021	BODILY INJURY (Per person)	$
	[ ] OWNED AUTOS ONLY [X] SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	[X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	[ ] UMBRELLA LIAB [ ] OCCUR						EACH OCCURRENCE	$
	[ ] EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$
	[ ] DED [ ] RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						[ ] PER STATUTE [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
B	Excess Worker's Comp			SP4063844	10/1/2020	10/1/2021	$500,000 retention	1,000,000

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

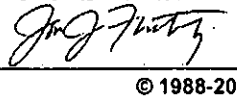
CERTIFICATE HOLDER

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

CANCELLATION

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

AUTHORIZED REPRESENTATIVE



CERTIFICATE OF INSURANCE

Name of Self-Insured Employer: CAPITAL REGION HEALTH CARE CORPORATION (SEE ATTACHED)

Current Mailing Address: 250 PLEASANT ST., CONCORD, NH 03301

Policy Number: SP 4063844

Effective Date of Certificate: October 01, 2020

Length of Term of Policy: 1(One) year

Insured's Retention: $ 500,000 Specific Excess Self-Insured Retention Per Occurrence
$ 150,000 Annual Aggregate Deductible
Specific Excess Limit: Statutory
Employers' Liability Limit: $ 1,000,000 Per Occurrence and Aggregate

Aggregate Per Policy Term Amount: N/A

Business Name of Insurance Company: SAFETY NATIONAL CASUALTY CORPORATION
Insurance Company

Authorized Representative: 
SETH A. SMITH
For Insurance Company Representative

Title of Authorized Representative: EXECUTIVE VICE PRESIDENT UNDERWRITING
Title of Representative

AMENDED
Date: 04/29/2021

WCSI-4 (1/92)

INSURED ADDED	EFFECTIVE DATE
CONCORD HOSPITAL - LACONIA	05/01/2021

0135 00 1297 (XWC)

NEW HAMPSHIRE AMENDATORY ENDORSEMENT

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

This policy is changed to provide:

No. 1

This policy insures payment of Workmen's Compensation, within the financial limits established by its provisions, pursuant to Revised Statutes Annotated, Chapter 281, as amended.

No. 2

In the event the Insured has failed to fulfill all his obligations under the Workmen's Compensation Law, the Insurer shall, at the direction of the Commission of Labor, deposit any money to be received by the Insured under the provisions of this policy in such bank as said Commissioner may determine, such money to be held in trust for the payment of any liabilities incurred by the Insured pursuant to Chapter 281, as amended.

No. 3

Any money to be paid to the Insured by the Insurer under the provisions of this policy or any money directed by the Commissioner of Labor to be deposited in a bank to be held in trust shall not be assignable, attachable or be liable in any way for the debt of the Insured unless incurred under Chapter 281 of the Workmen's Compensation Law, except in the event of the Insured's bankruptcy and the U.S. Bankruptcy court assumes jurisdiction over this policy.

No. 4

If either party to this policy desires to cancel said policy, such cancellation shall become effective for a period of 45 days (30 days if cancellation is for non-payment of premium) from date of filing of notice with the Department of Labor, State of New Hampshire, 95 Pleasant Street, State Office Park South, Concord, New Hampshire 03301.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4063844, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to CAPITAL REGION HEALTH CARE CORPORATION, ET AL, dated October 01, 2020.

SAFETY NATIONAL CASUALTY CORPORATION

Secretary

President

1015 00 1209 (XWC)

ENDORSEMENT # 001

GENERAL CHANGE ENDORSEMENT - SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, May 01, 2021

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

- [X] Item 1 – Employer Address
- [ ] Item 2 – States
- [ ] Item 3 – Effective Date
- [ ] Item 4 – Anniversary Date
- [ ] Item 5 – Service Company
- [ ] Item 6 – Manual Premium/Exp. Mod/Standard Premium
- [ ] Item 7 – Self-Insured Retention Per Occurrence
- [ ] Item 8(a) – Maximum Limit of Indemnity Per Occurrence
- [ ] Item 8(b) – E.L. Maximum Limit of Indemnity Per Occurrence
- [ ] Item 9 – Premium Rate
- [ ] Item 10 – Minimum Premium for the Liability Period
- [ ] Item 11 – Deposit Premium for the Payroll Reporting Period
- [ ] Item 12 – Payroll Reporting Period
- [X] Item 13 – Endorsements

Is amended to include:

Endorsements: 0215, EMPLOYER CHANGE

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4063844, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to CAPITAL REGION HEALTH CARE CORPORATION, ET AL, dated October 01, 2020.

SAFETY NATIONAL CASUALTY CORPORATION

Secretary

Diana A. Hernandez
President

Countersigned this day of

By: N/A

0215 01 1098 (XWC)

ENDORSEMENT

EMPLOYER CHANGE

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Item 1 of the Declarations, EMPLOYER, shall be amended by either adding, or deleting, insured Employers on the Effective Date(s) as listed below.

DECLARATIONS:

Item 1. EMPLOYER:

INSURED ADDED	EFFECTIVE DATE
CONCORD HOSPITAL - LACONIA	05/01/2021

and, further, provided that stipulations by and notices, billings, and payments to or by any EMPLOYER shall be binding upon all other EMPLOYERS named herein; providing further, that the inclusion herein of more than one EMPLOYER shall not operate to increase or multiply the Maximum Limit(s) of Indemnity.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4063844, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to CAPITAL REGION HEALTH CARE CORPORATION, ET AL, dated October 01, 2020.

SAFETY NATIONAL CASUALTY CORPORATION

Secretary

Duane A. Heraules
President

Concord Hospital Mission Statement

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

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

Approved by Board of Trustees 10-21-02; Reaffirmed by Board 11-23-03, 11-15-04, 11-21-05, 11-20-06, 11-19-07, 11-17-08, 11-16-09, 10-18-10, 9-19-11, 9-24-12, 9-23-13, 9-22-14, 9-28-15, 9-26-16, 9-25-17, 9-24-18, 9-23-19, 9-28-20

BAKER NEWMAN NOYES

Concord Hospital, Inc. and Subsidiaries

Audited Consolidated Financial Statements

Years Ended September 30, 2020 and 2019
With Independent Auditors' Report

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

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

Audited Consolidated Financial Statements

Years Ended September 30, 2020 and 2019

CONTENTS

BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
MAINE I MASSACHUSETTS I NEW HAMPSHIRE
800.244.7444 I www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Concord Hospital, Inc.

We have audited the accompanying consolidated financial statements of Concord Hospital, Inc. and Subsidiaries (the System), which comprise the consolidated balance sheets as of September 30, 2020 and 2019, the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of September 30, 2020 and 2019, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes LLC

Manchester, New Hampshire
December 11, 2020

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2020 and 2019

ASSETS
(In thousands)

	2020	2019
Current assets:		
Cash and cash equivalents	$ 29,342	$ 6,404
Short-term investments	73,907	23,228
Accounts receivable	66,175	68,614
Due from affiliates	90	492
Supplies	2,871	2,396
Prepaid expenses and other current assets	6,923	6,662
Total current assets	179,308	107,796
Assets whose use is limited or restricted:		
Board designated	296,887	284,668
Funds held by trustee for workers' compensation reserves, self-insurance escrows and construction funds	18,000	38,141
Donor-restricted funds and restricted grants	39,462	39,656
Total assets whose use is limited or restricted	354,349	362,465
Other noncurrent assets:		
Due from affiliates, net of current portion	654	708
Other assets	13,567	18,340
Total other noncurrent assets	14,221	19,048
Property and equipment:		
Land and land improvements	6,332	6,338
Buildings	239,545	194,301
Equipment	255,660	244,834
Construction in progress	12,075	38,734
	513,612	484,207
Less accumulated depreciation	(309,639)	(302,519)
Net property and equipment	203,973	181,688
	$ 751,851	$ 670,997

LIABILITIES AND NET ASSETS
(In thousands)

	2020	2019
Current liabilities:		
Accounts payable and accrued expenses	$ 34,569	$ 34,354
Accrued compensation and related expenses	30,543	28,174
Accrual for estimated third-party payor settlements	48,392	34,569
Current portion of long-term debt	5,186	7,385
Total current liabilities	118,690	104,482
Long-term debt, net of current portion	116,555	120,713
Accrued pension and other long-term liabilities	146,652	74,718
Total liabilities	381,897	299,913
Net assets:		
Without donor restrictions	331,060	333,022
With donor restrictions	38,894	38,062
Total net assets	369,954	371,084
	$ 751,851	$ 670,997

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2020 and 2019
(In thousands)

	2020	2019
Revenue and other support without donor restrictions:		
Patient service revenue	$455,512	$486,272
Other revenue	48,612	21,887
Disproportionate share revenue	18,202	19,215
Net assets released from restrictions for operations	1,983	1,453
Total revenue and other support without donor restrictions	524,309	528,827
Operating expenses:		
Salaries and wages	245,681	250,359
Employee benefits	68,329	61,887
Supplies and other	109,783	106,095
Purchased services	34,943	32,865
Professional fees	7,722	7,681
Depreciation and amortization	24,355	26,150
Medicaid enhancement tax	22,572	22,442
Interest expense	2,595	4,729
Total operating expenses	515,980	512,208
Income from operations	8,329	16,619
Nonoperating income (loss):		
Gifts and bequests without donor restrictions	411	304
Investment income (loss) and other	10,056	(4,906)
Loss on extinguishment of long-term debt	(1,231)	–
Net periodic benefits cost, other than service cost	(2,931)	(2,626)
Total nonoperating income (loss)	6,305	(7,228)
Excess of revenues and nonoperating income (loss) over expenses	$ 14,634	$ 9,391

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2020 and 2019
(In thousands)

	2020	2019
Net assets without donor restrictions:		
Excess of revenues and nonoperating income (loss) over expenses	$ 14,634	$ 9,391
Net unrealized gains on investments	–	4,979
Net transfers from affiliates	(145)	388
Net assets released from restrictions used for purchases of property and equipment	61	188
Pension adjustment	(16,512)	(49,984)
Decrease in net assets without donor restrictions	(1,962)	(35,038)
Net assets with donor restrictions:		
Contributions and pledges with donor restrictions	2,079	1,912
Net investment gain (loss)	945	(103)
Contributions to affiliates and other community organizations	(210)	(186)
Unrealized gains (losses) on trusts administered by others	62	(147)
Net assets released from restrictions for operations	(1,983)	(1,453)
Net assets released from restrictions used for purchases of property and equipment	(61)	(188)
Increase (decrease) in net assets with donor restrictions	832	(165)
Decrease in net assets	(1,130)	(35,203)
Net assets, beginning of year	371,084	406,287
Net assets, end of year	$369,954	$371,084

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2020 and 2019
(In thousands)

	2020	2019
Cash flows from operating activities:		
Decrease in net assets	$ (1,130)	$ (35,203)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Contributions and pledges with donor restrictions	(2,079)	(1,912)
Depreciation and amortization	24,355	26,150
Net realized and unrealized (gains) losses on investments	(7,469)	5,483
Bond premium and issuance cost amortization	(356)	(368)
Equity in earnings of affiliates, net	(4,865)	(7,345)
Loss on disposal of property and equipment	33	35
Loss on extinguishment of long-term debt	1,231	–
Pension adjustment	16,512	49,984
Changes in operating assets and liabilities:		
Accounts receivable	2,439	1,647
Supplies, prepaid expenses and other current assets	(736)	(1,717)
Other assets	5,758	(4,087)
Due from affiliates	456	227
Accounts payable and accrued expenses	6,228	(8,826)
Accrued compensation and related expenses	2,369	1,528
Accrual for estimated third-party payor settlements	13,823	(809)
Accrued pension and other long-term liabilities	55,422	(23,568)
Net cash provided by operating activities	111,991	1,219
Cash flows from investing activities:		
Increase in property and equipment, net	(53,596)	(31,698)
Purchases of investments	(132,901)	(43,333)
Proceeds from sales of investments	95,541	76,304
Equity distributions from affiliates	3,813	6,309
Net cash (used) provided by investing activities	(87,143)	7,582
Cash flows from financing activities:		
Payments on long-term debt	(52,800)	(9,058)
Proceeds from issuance of long-term debt	49,102	–
Bond issuance costs	(256)	–
Contributions and pledges with donor restrictions	2,044	1,970
Net cash used by financing activities	(1,910)	(7,088)
Net increase in cash and cash equivalents	22,938	1,713
Cash and cash equivalents at beginning of year	6,404	4,691
Cash and cash equivalents at end of year	$ 29,342	$ 6,404

Supplemental disclosure:
At September 30, 2019, amounts totaling $6,990 related to the purchase of property and equipment were included in accounts payable and accrued expenses.

See accompanying notes.

1. Description of Organization and Summary of Significant Accounting Policies

Organization

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

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

In March 2009, the Hospital created The Concord Hospital Trust (the Trust), a separately incorporated, not-for-profit organization to serve as the Hospital's philanthropic arm. In establishing the Trust, the Hospital transferred philanthropic funds with donor restrictions, including board designated funds, endowments, indigent care funds and specific purpose funds, to the newly formed organization together with the stewardship responsibility to direct monies available to support the Hospital's charitable mission and reflect the specific intentions of the donors who made these gifts. Concord Hospital and the Trust constitute the Obligated Group at September 30, 2020 and 2019 to certain debt described in Note 6.

Subsidiaries of the Hospital include:

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

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

NH Cares ACO, LLC (NHC) is a single member limited liability company that engages in providing medical services to Medicare beneficiaries as an accountable care organization. NHC has a perpetual life and is subject to termination in certain events.

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital's accounts receivable are primarily due from third-party payors and amounts are presented net of expected explicit and implicit price concessions, including estimated implicit price concessions from uninsured patients. The Hospital's investment portfolio consists of diversified investments, which are subject to market risk. The Hospital's investment in one fund, the Vanguard Institutional Index Fund, exceeded 10% of total Hospital investments as of September 30, 2020 and 2019.

Cash and Cash Equivalents

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

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

Supplies

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

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees for workers' compensation reserves, self-insurance escrows, construction funds, designated assets set aside by the Board of Trustees (over which the Board retains control and may, at its discretion, subsequently use for other purposes), and donor-restricted investments.

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. For 2020, investment income (including realized gains and losses on investments, interest and dividends) and the net change in unrealized gains and losses on investments are included in the excess of revenues and nonoperating income over expenses in the accompanying consolidated statements of operations, unless the income or loss is restricted by donor or law. The change in net unrealized gains and losses on investments in 2019 (prior to the effective date of Accounting Standards Update (ASU) 2016-01 as discussed within the "Recent Accounting Pronouncements" section of Note 1) is reported as a separate component of the change in net assets without donor restrictions, except declines that are determined by management to be other than temporary, which are reported as an impairment charge (included in the excess of revenues and nonoperating income over expenses). No such losses were recorded in 2019.

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

Beneficial Interest in Perpetual Trusts

The System has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the System are without donor restrictions. The System's interest in the fair value of the trust assets is included in assets whose use is limited or restricted and as net assets with donor restrictions. Changes in the fair value of beneficial trust assets are reported as increases or decreases to net assets with donor restrictions.

Investment Policies

The System's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated funds.

Endowment funds are identified as perpetual in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

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 increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

Spending Policy for Appropriation of Assets for Expenditure

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System has a current spending policy on various funds currently equivalent to 5% of twelve-quarter moving average of the funds' total market value.

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

Accounts Receivable

For accounts receivable resulting from revenue recognized prior to October 1, 2019, an allowance for doubtful accounts was established to reduce the carrying value of such receivables to their estimated net realizable value. Generally, this allowance was estimated based on the aging of accounts receivable, historical collection experience and other factors. Under the provisions of Financial Accounting Standards Board (FASB) ASU No. 2014-09, *Revenue from Contracts with Customers*, which the System adopted effective October 1, 2019 using the full retrospective method, when an unconditional right to payment exists, subject only to the passage of time, the right is treated as a receivable. Patient accounts receivable for which the unconditional right to payment exists are receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. As a result of the full retrospective method adoption of ASU No. 2014-09, accounts receivable at September 30, 2020 and 2019 reflect the fact that any estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to accounts receivable rather than allowance for doubtful accounts. At September 30, 2020 and 2019, estimated implicit price concessions of $14,072 and $14,635, respectively, had been recorded as reductions to accounts receivable balances to enable the System to record revenues and accounts receivable at the estimated amounts expected to collected.

Property and Equipment

Property and equipment is stated at cost at time of purchase, or at fair value at time of donation for assets contributed, less any reductions in carrying value for impairment and less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the related assets over their estimated useful lives. For the years ended September 30, 2020 and 2019, depreciation expense was $24,355 and $26,150, respectively.

The System has also capitalized certain costs associated with property and equipment not yet in service. Construction in progress includes amounts incurred related to major construction projects, other renovations, and other capital equipment purchased but not yet placed in service. During 2020 and 2019, the Hospital capitalized $1,953 and $652, respectively, of interest expense relating to various construction projects.

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

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

Federal Grant Revenue and Expenditures

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

Bond Issuance Costs/Original Issue Discount or Premium

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

Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates (Note 11). Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The System uses an industry standard approach in calculating the costs associated with providing charity care. Funds received from gifts and grants to subsidize charity services provided for the years ended September 30, 2020 and 2019 were approximately $206 and $88, respectively.

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 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 statement of operations as either net assets released from restrictions for operations (for noncapital related items) or as net assets released from restrictions used for purchases of property and equipment (capital related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the System in perpetuity.

Patient Service Revenue

Prior to the adoption of ASU 2014-09 by the System on October 1, 2019, the System recognized patient service revenue as services were rendered and reported revenue at the estimated net realizable amounts from patients, third-party payors and others for services rendered. On the basis of historical experience, a portion of the System's uninsured patients were unable or unwilling to pay for services provided. Thus, the System recorded a provision for doubtful accounts related to uninsured patients in the period the services were provided. The System adopted the new standard effective October 1, 2019, using the full retrospective method and updated its accounting policies related to revenues, as discussed below. The adoption of the new standard did not have an impact on the recognition of revenues for any periods prior to adoption.

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

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

The collection of outstanding receivables for Medicare, Medicaid, managed care payers, other third-party payors and patients is the System's primary source of cash and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts, including patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities that represent a majority of hospital revenues and accounts receivable (the "hindsight analysis") as a primary source of information in estimating the collectability of accounts receivable. Management performs the hindsight analysis regularly, utilizing rolling twelve-months accounts receivable collection and write-off data. Management believes its regular updates to the estimated implicit price concession amounts provides reasonable estimates of revenues and valuations of accounts receivable. These routine, regular changes in estimates have not resulted in material adjustments to the valuations of accounts receivable or period-to-period comparisons of operations.

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 patient service revenues in the year that such amounts become known. For the years ended September 30, 2020 and 2019, patient service revenue in the accompanying consolidated statements of operations increased by approximately $3,400 and $5,600, respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

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

Revenues from the Medicare and Medicaid programs accounted for approximately 35% and 4% and 34% and 4% of the Hospital's patient service revenue for the years ended September 30, 2020 and 2019, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation.

Excess of Revenues and Nonoperating Income (Loss) Over Expenses

The System has deemed all activities as ongoing, major or central to the provision of health care services and, accordingly, they are reported as operating revenue and expenses, except for contributions and pledges without donor restrictions, the related philanthropy expenses and investment income which are recorded as nonoperating income.

The consolidated statements of operations also include excess of revenues and nonoperating income (loss) over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues and nonoperating income over expenses, consistent with industry practice, include the permanent transfers of assets to and from affiliates for other than goods and services, pension liability adjustments and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets). Prior to the adoption of ASU 2016-01 on October 1, 2019, unrealized gains and losses on equity securities other than trading securities or losses considered other than temporary were excluded from the performance indicator. Effective October 1, 2019, unrealized gains and losses on equity securities are recorded within the performance indicator in order to conform to ASU 2016-01.

Estimated Workers' Compensation and Health Care Claims

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

Functional Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in Note 10. Accordingly, costs have been allocated among program services and supporting services benefitted.

Income Taxes

The Hospital, CRHCDC, CRHVC, and the Trust are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. NHC is organized as a single member limited liability company and has elected to be treated as a disregarded entity for federal and state income tax reporting purposes. Accordingly, all income or losses and applicable tax credits are reported on the member's income tax returns, with the exception of taxes due to the State of New Hampshire. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements.

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

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately $181 and $251 for the years ended September 30, 2020 and 2019, respectively.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606).* The ASU supersedes the revenue recognition requirements in Topic 605 (Revenue Recognition) and most industry-specific guidance throughout the Industry Topics of Codification. The core principal of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The System adopted the new standard effective October 1, 2019, 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 "patient service revenues" 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.

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). ASU 2016-01 requires equity securities to be measured at fair value with changes in fair value recognized through the excess of revenues and nonoperating income (loss) over expenses unless restricted by law or donors. ASU 2016-01 was effective for the System on October 1, 2019 and has been applied on a prospective basis. As a result of adopting ASU 2016-01, unrealized gains and losses on equity securities have been included in investment income (loss) and other in the 2020 consolidated statement of operations. ASU 2016-01 did not impact the accounting for investments in debt securities. As such, unrealized gains and losses on debt securities, if applicable, continue to be excluded from the excess of revenues and nonoperating income (loss) over expenses, and instead are reflected within the change in net assets.

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 was effective for the System on October 1, 2019 and has been applied retrospectively to all periods presented. The adoption of ASU 2018-08 did not have a material impact on these consolidated financial statements.

1. **Description of Organization and Summary of 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, 2022. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The System is currently evaluating the impact of the pending adoption of ASU 2016-02 on the System's consolidated financial statements.

In August 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.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* ASU 2020-07 enhances the presentation of disclosure requirements for contributed nonfinancial assets. ASU 2020-07 requires entities to present contributed nonfinancial assets as a separate line item in the statement of operations and disclose the amount of contributed nonfinancial assets recognized within the statement of operations by category that depicts the type of contributed nonfinancial assets, as well as a description of any donor-imposed restrictions associated with the contributed nonfinancial assets and the valuation techniques used to arrive at a fair value measure at initial recognition. ASU 2020-07 is effective for the System for transactions in which they serve as the resource recipient beginning October 1, 2021, with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2020-07 on its financial statements.

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. Patient volumes and the related revenues for most services were significantly impacted in the last two weeks of March 2020 and continued to be impacted in the third and fourth quarters of fiscal 2020 as various policies were implemented by federal, state and local governments in response to the COVID-19 pandemic that have caused many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

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

While some of these restrictions have been eased across the U.S. and the State of New Hampshire has lifted limitations on nonemergent procedures, some restrictions remain in place. While consolidated patient volumes and revenues experienced gradual improvement beginning in the latter part of April and continuing through the end of the fourth fiscal quarter, uncertainty still exists as the future is unpredictable. The System's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The System has taken precautionary steps to enhance its operational and financial flexibility, and react to the risks the COVID-19 pandemic presents in its operations, including the following:

- Implemented certain cost reduction initiatives;
- Increased the availability on its revolving line of credit from $10,000 to $40,000;
- Elected to defer payments on employer payroll tax incurred through December 31, 2020 as provided for under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act;
- Since the declaration of the pandemic, the System received $57,885 of accelerated Medicare payments (Note 5) and $29,468 in general and targeted Provider Relief Fund distributions, both as provided for under the CARES Act.

The System believes the extent of the COVID-19 pandemic's adverse impact on operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond control and ability to forecast. Such factors include, but are not limited to, the scope and duration of stay-at-home practices and business closures and restrictions, government-imposed or recommended suspensions of elective procedures, continued declines in patient volumes for an indeterminable length of time, increases in the number of uninsured and underinsured patients as a result of higher sustained rates of unemployment, incremental expenses required for supplies and personal protective equipment, and changes in professional and general liability exposure. Because of these and other uncertainties, the System cannot estimate the length or severity of the impact of the pandemic on its operations. Decreases in cash flows and results of operations may have an impact on the inputs and assumptions used in significant accounting estimates, including estimated implicit price concessions related to uninsured patient accounts, and professional and general liability reserves.

During the third quarter of fiscal 2020, the System was awarded $9,539 from the $50 billion general distribution fund and $19,929 of targeted distributions from the CARES Act Provider Relief Fund. These distributions from the Provider Relief Fund are not subject to repayment, provided the System is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. Such payments are accounted for as government grants, and are recognized on a systematic and rational basis as other income once there is reasonable assurance that the applicable terms and conditions required to retain the funds will be met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the impact of the pandemic on operating results through September 30, 2020, the System recognized $29,468 related to these general distribution funds, and these payments are recorded within other revenue in the consolidated statements of operations for the year ended September 30, 2020.

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

The CARES Act also provides for a deferral of payments of the employer portion of payroll tax incurred during the pandemic, allowing half of such payroll taxes to be deferred until December 2021 and the remaining half until December 2022. At September 30, 2020, the System had deferred $6,051 of payroll taxes recorded within accrued pension and other long-term liabilities in the accompanying consolidated balance sheet.

The System will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and other potential assistance programs and available grants, and the impact of the pandemic on revenues and expenses. If the System is unable to attest to or comply with current or future terms and conditions, the System's ability to retain some or all of the distributions received may be impacted.

Subsequent Events

Management of the System evaluated events occurring between the end of the System's fiscal year and December 11, 2020, the date the consolidated financial statements were available to be issued.

On October 19, 2020, the Hospital entered into a proposed asset purchase agreement (the Agreement) with LRGHealthcare (the Seller) to acquire certain assets of Lakes Region General Hospital in Laconia, New Hampshire, and Franklin Regional Hospital in Franklin, New Hampshire. Upon execution of the Agreement, the Seller filed a voluntary case under Chapter 11 of the United States bankruptcy code. As a result, the Agreement is subject to bankruptcy proceedings, including a formal bid process and auction as well as subsequent regulatory approvals should the Hospital's bid be accepted. The outcome of these events is unknown as of the date of these consolidated financial statements, and therefore no amounts have been reflected within these consolidated financial statements related to the above.

2. **Transactions With Affiliates**

The System provides funds to CRHC and its affiliates which are used for a variety of purposes. The System records the transfer of funds to CRHC and the other affiliates as either receivables or directly against net assets, depending on the intended use and repayment requirements of the funds. Generally, funds transferred for start-up costs of new ventures or capital related expenditures are recorded as charges against net assets. For the years ended September 30, 2020 and 2019, transfers made to CRHC were $(457) and $(214), respectively, and transfers received from Capital Region Health Services Corporation (CRHSC) were $312 and $602, respectively.

A brief description of affiliated entities is as follows:

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

(In thousands)

2. Transactions With Affiliates (Continued)

Amounts due the System, primarily from joint ventures, totaled $744 and $1,200 at September 30, 2020 and 2019, respectively. Amounts have been classified as current or long-term depending on the intentions of the parties involved. Beginning in 1999, the Hospital began charging interest on a portion of the receivables ($654 and $708 at September 30, 2020 and 2019, respectively) with principal and interest (6.75% at September 30, 2020) payments due monthly. Interest income amounted to $46 and $50 for the years ended September 30, 2020 and 2019, respectively.

Contributions to affiliates and other community organizations from net assets with donor restrictions were $210 and $186 in 2020 and 2019, respectively.

3. Investments and Assets Whose Use is Limited or Restricted

Short-term investments totaling $73,907 and $23,228 at September 30, 2020 and 2019, respectively, are comprised primarily of cash and cash equivalents. Assets whose use is limited or restricted are carried at fair value and consist of the following at September 30:

	2020	2019
Board designated funds:		
Cash and cash equivalents	$ 961	$ 7,762
Fixed income securities	25,457	23,592
Marketable equity and other securities	258,108	242,088
Inflation-protected securities	12,361	11,226
	296,887	284,668
Held by trustee for workers' compensation reserves:		
Fixed income securities	2,974	3,140
Self-insurance escrows and construction funds:		
Cash and cash equivalents	1,242	10,568
Fixed income securities	3,176	14,816
Marketable equity securities	10,608	9,617
	15,026	35,001
Donor-restricted funds and restricted grants:		
Cash and cash equivalents	4,027	5,930
Fixed income securities	1,850	1,771
Marketable equity securities	21,299	19,865
Inflation-protected securities	1,020	921
Trust funds administered by others	10,965	10,903
Other	301	266
	39,462	39,656
	$354,349	$362,465

(In thousands)

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

Included in marketable equity and other securities above are $188,376 and $175,251 at September 30, 2020 and 2019, respectively, in so called alternative investments and collective trust funds. See also Note 14.

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

	2020	2019
Net assets without donor restrictions:		
Interest and dividends	$ 4,894	$ 5,606
Investment income from trust funds administered by others	539	530
Net realized gains (losses) on sales of investments	9,312	(9,863)
Net unrealized (losses) gains on investments	(2,448)	4,979
	12,297	1,252
Net assets with donor restrictions:		
Interest and dividends	402	349
Net realized gains (losses) on sales of investments	768	(779)
Net unrealized (losses) gains on investments	(163)	180
	1,007	(250)
	$13,304	$ 1,002

In compliance with the System's spending policy, portions of investment income and related fees are recognized in other operating revenue on the accompanying consolidated statements of operations. Investment income reflected in other operating revenue was $2,024 and $1,710 in 2020 and 2019, respectively.

Investment management fees expensed and reflected in nonoperating income were $849 and $863 for the years ended September 30, 2020 and 2019, respectively.

In accordance with ASU 2016-01, which the System adopted prospectively on October 1, 2019, no impairment analysis is required as of September 30, 2020 for equity securities. There were no unrealized losses in securities other than equity securities at September 30, 2020. The following summarizes the Hospital's gross unrealized losses and fair values, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2019:

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 1,173	$ (432)	$13,650	$ (1,029)	$14,823	$ (1,461)
Fund-of-funds	10,322	(747)	–	–	10,322	(747)
Collective trust funds	13,226	(490)	30,814	(2,497)	44,040	(2,987)
	$24,721	$ (1,669)	$44,464	$ (3,526)	$69,185	$ (5,195)

(In thousands)

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

In evaluating whether investments have suffered an other-than-temporary decline, based on input from outside investment advisors, management evaluated the amount of the decline compared to cost, the length of time and extent to which fair value has been less than cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year, estimated future fair values and the System's intent and ability to hold the security until a recovery in fair value or maturity. Based on evaluations of the underlying issuers' financial condition, current trends and economic conditions, management believes there are no securities that have suffered an other-than-temporary decline in value at September 30, 2019.

4. Defined Benefit Pension Plan

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

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

The following table summarizes the Plan's funded status at September 30, 2020 and 2019:

	2020	2019
Funded status:		
Fair value of plan assets	$ 258,752	$ 251,574
Projected benefit obligation	(327,793)	(304,836)
	$ (69,041)	$ (53,262)
Activities for the year consist of:		
Benefit payments and administrative expenses paid	$ 21,516	$ 26,475
Net periodic benefit cost	15,267	12,958

(In thousands)

4. Defined Benefit Pension Plan (Continued)

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

	2020	2019
Change in benefit obligation:		
Projected benefit obligation at beginning of year	$304,836	$267,072
Service cost	12,336	10,332
Interest cost	11,102	12,096
Actuarial loss	19,835	40,111
Benefit payments and administrative expenses paid	(21,516)	(26,475)
Other adjustments to benefit cost	1,200	1,700
Projected benefit obligation at end of year	$327,793	$304,836
Change in plan assets:		
Fair value of plan assets at beginning of year	$251,574	$235,752
Actual return on plan assets	12,694	1,297
Employer contributions	16,000	41,000
Benefit payments and administrative expenses	(21,516)	(26,475)
Fair value of plan assets at end of year	$258,752	$251,574
Funded status and amount recognized in noncurrent liabilities at September 30	$(69,041)	$(53,262)

Amounts recognized as a change in net assets without donor restrictions during the years ended September 30, 2020 and 2019 consist of:

	2020	2019
Net actuarial loss	$ 27,689	$56,890
Net amortized loss	(11,420)	(7,153)
Prior service credit amortization	243	247
Total amount recognized	$ 16,512	$49,984

(In thousands)

4. Defined Benefit Pension Plan (Continued)

Pension Plan Assets

The fair values of the System's pension plan assets as of September 30, 2020 and 2019, by asset category are as follows (see Note 14 for level definitions). In accordance with ASU 2015-07, certain investments that are measured using the net value per share practical expedient have not been classified in the fair value hierarchy.

	2020 Level 1	2019 Level 1
Short-term investments:		
Money market funds	$ 1,189	$ 5,111
Equity securities:		
Common stocks	7,862	9,356
Mutual funds – international	–	9,835
Mutual funds – domestic	72,339	64,805
Mutual funds – inflation hedge	7,685	8,919
Fixed income securities:		
Mutual funds – REIT	525	986
Mutual funds – fixed income	19,628	22,944
	109,228	121,956
Funds measured at net asset value:		
Equity securities:		
Funds-of-funds	87,887	77,700
Collective trust funds:		
Equities	51,545	42,325
Fixed income	10,092	9,593
	149,524	129,618
Total investments at fair value	$258,752	$251,574

The target allocation for the System's pension plan assets as of September 30, 2020 and 2019, by asset category are as follows:

	2020		2019	
	Target Allocation	Percentage of Plan Assets	Target Allocation	Percentage of Plan Assets
Short-term investments	0-20%	0%	0-20%	2%
Equity securities	40-80%	68	40-80%	68
Fixed income securities	5-80%	12	5-80%	13
Other	0-30%	20	0-30%	17

(In thousands)

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

The funds-of-funds are invested with thirteen investment managers and have various restrictions on redemptions. One manager holding amounts totaling approximately $15 million at September 30, 2020 allows for semi-monthly redemptions, with 5 days' notice. One manager holding approximately $7 million at September 30, 2020 allows for monthly redemptions, with 15 days' notice. Six managers holding amounts totaling approximately $38 million at September 30, 2020 allow for quarterly redemptions, with notices ranging from 45 to 65 days. Three of the managers holding amounts of approximately $15 million at September 30, 2020 allow for annual redemptions, with notice ranging from 60 to 90 days. Two of the managers holding amounts of approximately $13 million at September 30, 2020 allows for redemptions on a semi-annual basis, with a notice of 60 days. The collective trust funds allow for daily or monthly redemptions, with notices ranging from 6 to 10 days. Certain funds also may include a fee estimated to be equal to the cost the fund incurs in converting investments to cash (ranging from 0.5% to 1.5%), limit the percent of the investment that can be redeemed each redemption period, or are subject to certain lock periods.

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

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

Amounts included in expense during fiscal 2020 and 2019 consist of:

	2020	2019
Components of net periodic benefit cost:		
Service cost	$ 12,336	$ 10,332
Interest cost	11,102	12,096
Expected return on plan assets	(20,548)	(18,076)
Amortization of prior service credit and loss	11,177	6,906
Other adjustments to benefits cost	1,200	1,700
Net periodic benefit cost	$ 15,267	$ 12,958

(In thousands)

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

The accumulated benefit obligations for the plan at September 30, 2020 and 2019 were $310,208 and $288,126, respectively.

	2020	2019
Weighted average assumptions to determine benefit obligation:		
Discount rate	3.11%	3.59%
Rate of compensation increase	2.50% for the next two years; 3.00% thereafter	2.50% for the next three years; 3.00% thereafter
Weighted average assumptions to determine net periodic benefit cost:		
Discount rate	3.59%	4.63%
Expected return on plan assets	7.75	7.75
Cash balance credit rate	5.00	5.00
Rate of compensation increase	2.50/3.00	3.00

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

The loss and prior service credit amount expected to be recognized in net periodic benefit cost in 2021 are as follows:

Actuarial loss	$12,623
Prior service credit	(243)
	$12,380

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

Cash contributions in subsequent years will depend on a number of factors including performance of plan assets. However, the System expects to fund $16,000 in cash contributions to the plan for the 2021 plan year.

(In thousands)

4. Defined Benefit Pension Plan (Continued)

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

Year Ended September 30	Pension Benefits
2021	$ 18,023
2022	17,861
2023	18,581
2024	19,090
2025	19,140
2026 – 2030	109,179

5. Estimated Third-Party Payor Settlements

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

Medicare

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

The physician practices are reimbursed on a fee schedule basis.

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 net patient service revenues in State fiscal years 2020 and 2019. The amount of tax incurred by the System for 2020 and 2019 was $22,572 and $22,442, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded within revenue without donor restrictions and other support and amounted to $18,202 in 2020 and $19,215 in 2019, net of reserves referenced below.

5. **Estimated Third-Party Payor Settlements (Continued)**

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 to 2016, 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.

Medicaid

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

The physician practices are reimbursed on a fee schedule basis.

Other

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

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated balance sheets represents the estimated net amounts to be paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provision. Settlements for the Hospital have been finalized through 2016 for Medicare and 2015 for Medicaid.

During fiscal year 2020, the System requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. One year from the date of receipt of the advance payments (beginning April 2021) 25% of the advances will be recouped in the first eleven months. An additional 25% of the advances will be recouped in the next six months, with the entire amount repayable in 29 months. Any outstanding balance after 29 months is repayable at a 4% interest rate. During the third quarter of fiscal 2020, the System received $57,885 from these accelerated Medicare payment requests, of which the current portion due within a year, totaling $7,893, is recorded under the caption "accrual for estimated third-party payors" and the long-term portion, totaling $49,992, in the caption "accrued pension and other long-term liabilities" in the accompanying consolidated balance sheet for the year ended September 30, 2020.

(In thousands)

6. Long-Term Debt and Revolving Line of Credit

Revolving Line of Credit

In November 2019, the Hospital entered into a $10,000 revolving line of credit agreement with a bank. In June 2020, the Hospital increased the availability on the line of credit to $40,000. Any amounts outstanding under the agreement bear interest at the per annum London Interbank Offered Rate (LIBOR) plus 1.85% (2.24% at September 30, 2020). In the event LIBOR is discontinued while the agreement remains in place, a replacement rate will be assigned, as determined by the bank. The agreement is set to expire on May 30, 2021. The line of credit is secured by substantially all business assets. No amounts were outstanding under this revolving line of credit at September 30, 2020.

Long-term debt consists of the following at September 30, 2020 and 2019:

	2020	2019
2020A note payable to a bank, due October 1, 2026, interest at 1.93% per annum, payable in monthly and annual principal payments ranging from $2,427 to $2,580 beginning October 2022	$ 12,520	$ –
2020B note payable to a bank, due October 1, 2035 (lender has the option to extend the maturity date through October 1, 2043), interest at 2.26% per annum, payable in monthly and annual principal payments ranging from $991 to $2,942 beginning October 2023. Final balloon payment of $10,157 due October 1, 2035, if the maturity date is not extended by the lender	36,582	–
New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds, Concord Hospital Issue, Series 2017; interest of 5.0% per year and principal payable in annual installments. Installments ranging from $2,010 to $5,965 beginning October 2032, including unamortized original issue premium of $6,901 in 2020 and $7,215 in 2019	61,111	61,425
3.38% to 5.0% NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013A; due in annual installments, including principal and interest ranging from $1,543 to $3,555 through 2043, including unamortized original issue premium of $242 in 2020 and $2,824 in 2019. Series 2013A revenue bonds totaling $33,785 were refunded in 2020 through issuance of the 2020B note payable described below	2,867	40,469
1.71% fixed rate NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013B; due in annual installments, including principal and interest ranging from $1,860 to $2,038 through 2024	7,601	9,341
4.25% to 5.5% NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2011; due in annual installments, including principal and interest ranging from $2,737 to $5,192 through 2026, including unamortized original issue premium of $19 in 2020 and $136 in 2019. Series 2011 revenue bonds totaling $11,780 were refunded in 2020 through issuance of the 2020A note payable described below	2,044	18,201
	122,725	129,436
Less unamortized bond issuance costs	(984)	(1,338)
Less current portion	(5,186)	(7,385)
	$116,555	$120,713

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

In March 2020, the Hospital entered into a $12,520 note payable agreement (2020A note) with a lender to advance refund $11,780 of the Series 2011 NHHEFA Hospital Revenue Bonds. As a result of the advance refunding, the unamortized bond issuance costs and original issue discount related to the bonds refunded were included in loss on extinguishment of debt and totaled $520 for the year ended September 30, 2020. As of September 30, 2020, $11,780 of the Series 2011 advance refunded bonds, which are considered extinguished for purposes of these consolidated financial statements, remain outstanding. In conjunction with the issuance of the 2020A note, in order to further reduce debt service obligations, the Hospital, NHHEFA and the lender entered into a forward purchase agreement. Under the forward purchase agreement, the Hospital has the option to request NHHEFA to issue tax-exempt revenue bonds on or after July 3, 2021 to refinance the 2020A note.

In March 2020, the Hospital entered into a $36,582 note payable agreement (2020B note) with a lender to advance refund the Series 2013A NHHEFA Hospital Revenue Bonds. As a result of the bond refinancing, the unamortized bond issuance costs and original issue premium related to the Series 2013A NHHEFA Hospital Revenue Bonds were included in loss on extinguishment of debt and totaled $711 for the year ended September 30, 2020. As of September 30, 2020, $33,785 of the Series 2013A advance refunded bonds, which are considered extinguished for purposes of these consolidated financial statements, remain outstanding. In conjunction with the issuance of the 2020B note, in order to further reduce debt service obligations, the Hospital, NHHEFA and the lender entered into a forward purchase agreement. Under the forward purchase agreement, the Hospital has the option to request NHHEFA to issue tax-exempt revenue bonds on or after July 3, 2022 to refinance the 2020B note.

In December 2017, $62,004 (including an original issue premium of $7,794) of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2017, were issued to pay for the construction of a new medical office building. In addition, the Series 2017 Bonds reimbursed the Hospital for capital expenditures incurred in association with the construction of a parking garage and the construction of a medical office building, as well as routine capital expenditures.

In February 2013, $48,631 (including an original issue premium of $3,631) of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013A, were issued to assist in the funding of a significant facility improvement project and to advance refund the Series 2001 NHHEFA Hospital Revenue Bonds. The facility improvement project included enhancements to the System's power plant, renovation of certain nursing units, expansion of the parking capacity at the main campus and various other routine capital expenditures and miscellaneous construction, renovation and improvements of the System's facilities.

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

(In thousands)

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

Substantially all the property and equipment relating to the aforementioned construction and renovation projects, as well as subsequent property and equipment additions thereto, and a mortgage lien on the facility, are pledged as collateral for all outstanding long-term debt and the revolving line of credit. In addition, the gross receipts of the Hospital are also pledged as collateral for all outstanding long-term debt and the revolving line of credit. The most restrictive financial covenants require a 1.10 to 1.0 ratio of aggregate income available for debt service to total annual debt service and a day's cash on hand ratio of 75 days. The Hospital was in compliance with its debt covenants at September 30, 2020 and 2019.

The obligations of the Hospital under the 2020A and B notes, Series 2017, Series 2013A and B and Series 2011 Revenue Bond Indentures are not guaranteed by any of the subsidiaries or affiliated entities.

Interest paid on long-term debt amounted to $4,888 (including capitalized interest of $1,953) and $5,697 (including capitalized interest of $652) for the years ended September 30, 2020 and 2019, respectively.

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

2021	$ 5,186
2022	5,636
2023	6,239
2024	6,298
2025	5,339
Thereafter	86,865
	$115,563

7. Commitments and Contingencies

Malpractice Loss Contingencies

Effective February 1, 2011, the System insures its medical malpractice risks through a multiprovider captive insurance company under a claims-made insurance policy. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At September 30, 2020, there were no known malpractice claims outstanding for the System, which, in the opinion of management will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which require loss accruals. The System has established reserves for unpaid claim amounts for Hospital and Physician Professional Liability and General Liability reported claims and for unreported claims for incidents that have been incurred but not reported. The amounts of the reserves total $4,081 and $3,834 at September 30, 2020 and 2019, respectively and are reflected in the accompanying consolidated balance sheets within accrued pension and other long-term liabilities. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

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

The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. At September 30, 2020, the System's interest in the captive represents approximately 80% of the captive. The System accounts for its investments in the captive under the equity method since control of the captive is shared equally between the participating hospitals. The System has recorded its interest in the captive's equity, totaling approximately $5,509 and $7,270 at September 30, 2020 and 2019, respectively, in other noncurrent assets on the accompanying consolidated balance sheets. Changes in the System's interest are included in nonoperating income on the accompanying consolidated statements of operations

In accordance with ASU No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2020 and 2019, the Hospital recorded a liability of approximately $3,000 and $4,100, respectively, related to estimated professional liability losses. At September 30, 2020 and 2019, the Hospital also recorded a receivable of $3,000 and $4,100, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other long-term liabilities and other assets, respectively, on the consolidated balance sheets.

Workers' Compensation

The Hospital maintains workers' compensation insurance under a self-insurance plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the Hospital against excessive losses. The Hospital has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of $2,388 and $2,797 at September 30, 2020 and 2019, respectively, are recorded within accounts payable and accrued expenses on the accompanying consolidated balance sheets and have been discounted at 3% (both years) and, in management's opinion, provide an adequate reserve for loss contingencies. A trustee held fund has been established as a reserve under the plan. Assets held in trust totaled $2,974 and $3,140 at September 30, 2020 and 2019, respectively, and is included in assets whose use is limited or restricted in the accompanying consolidated balance sheets.

Litigation

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

Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The System recognizes revenue for services provided to employees of the System during the year. The System is insured above a stop-loss amount of $440 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2020 and 2019, have been recorded as a liability of $5,709 and $4,391, respectively, and are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

(In thousands)

7. Commitments and Contingencies (Continued)

Operating Leases

The System has various operating leases relative to its office and offsite locations. Future annual minimum lease payments under noncancellable lease agreements as of September 30, 2020 are as follows:

Year Ending September 30:	
2021	$ 6,437
2022	6,119
2023	5,990
2024	5,273
2025	3,758
Thereafter	9,651
	$37,228

Rent expense was $7,125 and $7,392 for the years ended September 30, 2020 and 2019, respectively.

8. Net Assets With Donor Restrictions

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

	2020	2019
Purpose restriction:		
Health education and program services	$14,997	$14,734
Capital acquisitions	1,870	1,764
Indigent care	126	133
Pledges receivable with stipulated purpose and/or time restrictions	283	223
	17,276	16,854
Perpetual in nature:		
Health education and program services	18,744	18,319
Capital acquisitions	803	803
Indigent care	1,811	1,811
Annuities to be held in perpetuity	260	275
	21,618	21,208
Total net assets with donor restrictions	$38,894	$38,062

(In thousands)

9. Patient Service Revenue

An estimated breakdown of patient service revenues for the Hospital by major payor sources is as follows for the years ended September 30:

	2020	2019
Private payor (includes coinsurance and deductibles)	$270,386	$288,321
Medicare	158,386	166,737
Medicaid	18,646	21,602
Self-pay	6,176	6,876
	$453,594	$483,536

10. Functional Expenses

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

	Health Services	General and Administrative	Fund-raising	Total
2020				
Salaries and wages	$203,587	$41,594	$ 500	$245,681
Employee benefits	56,622	11,568	139	68,329
Supplies and other	96,353	13,346	84	109,783
Purchased services	21,062	13,753	128	34,943
Professional fees	7,722	–	–	7,722
Depreciation and amortization	16,363	7,735	257	24,355
Medicaid enhancement tax	22,572	–	–	22,572
Interest	1,756	812	27	2,595
	$426,037	$88,808	$1,135	$515,980
2019				
Salaries and wages	$208,279	$41,607	$ 473	$250,359
Employee benefits	51,485	10,285	117	61,887
Supplies and other	91,029	14,912	154	106,095
Purchased services	24,362	8,369	134	32,865
Professional fees	7,675	6	–	7,681
Depreciation and amortization	17,459	8,415	276	26,150
Medicaid enhancement tax	22,442	–	–	22,442
Interest	3,173	1,506	50	4,729
	$425,904	$85,100	$1,204	$512,208

(In thousands)

10. Functional Expenses (Continued)

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.

11. Charity Care and Community Benefits (Unaudited)

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

	2020	2019
Government sponsored healthcare	$31,319	$29,683
Community health services	1,582	2,190
Health professions education	2,304	2,874
Subsidized health services	44,867	42,431
Research	81	84
Financial contributions	829	552
Community building activities	–	40
Community benefit operations	72	70
Charity care costs (see Note 1)	3,445	4,696
	$84,499	$82,620

The Hospital incurred estimated costs for services to Medicare patients in excess of the payment from this program of $71,877 and $57,580 in 2020 and 2019, respectively.

(In thousands)

12. Concentration of Credit Risk

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

	2020	2019
Patients	10%	12%
Medicare	37	32
Anthem Blue Cross	15	14
Cigna	4	3
Medicaid	9	11
Commercial	23	25
Workers' compensation	2	3
	100%	100%

13. Volunteer Services (Unaudited)

Total volunteer service hours received by the Hospital were approximately 16,290 in 2020 and 24,200 in 2019. The volunteers provide various nonspecialized services to the Hospital, none of which has been recognized as revenue or expense in the accompanying consolidated statements of operations.

14. Fair Value Measurements

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

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

(In thousands)

14. Fair Value Measurements (Continued)

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

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

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. There have been no changes in the methodologies used at September 30, 2020 and 2019. In accordance with ASU 2015-07, certain investments that are measured using the net value per share practical expedient have not been classified in the fair value hierarchy.

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

	Level 1	Level 2	Level 3	Total
2020				
Cash and cash equivalents	$ 80,137	$ –	$ –	$ 80,137
Fixed income securities	30,415	–	–	30,415
Marketable equity and other securities	101,639	–	–	101,639
Inflation-protected securities and other	13,682	–	–	13,682
Trust funds administered by others	–	–	10,965	10,965
	$225,873	$ –	$10,965	236,838
Funds measured at net asset value:				
Marketable equity and other securities				188,376
				$425,214
2019				
Cash and cash equivalents	$ 47,488	$ –	$ –	$ 47,488
Fixed income securities	41,310	–	–	41,310
Marketable equity and other securities	96,319	–	–	96,319
Inflation-protected securities and other	12,413	–	–	12,413
Trust funds administered by others	–	–	10,903	10,903
	$197,530	$ –	$10,903	208,433
Funds measured at net asset value:				
Marketable equity and other securities				175,251
				$383,684

(In thousands)

14. Fair Value Measurements (Continued)

In addition, for the years ended September 30, 2020 and 2019, there are certain investments totaling $3,042 and $2,009, respectively, which are appropriately being carried at cost.

The System's Level 3 investments consist of funds administered by others. The fair value measurement is based on significant unobservable inputs.

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

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for 2020 and 2019:

	Trust Funds Administered by Others
Balance at September 30, 2018	$11,051
Net realized and unrealized losses	(148)
Balance at September 30, 2019	10,903
Net realized and unrealized gains	62
Balance at September 30, 2020	$10,965

The table below sets forth additional disclosures for investment funds (other than mutual funds) valued based on net asset value to further understand the nature and risk of the investments by category:

	Fair Value	Unfunded Commit-ments	Redemption Frequency	Redemption Notice Period
September 30, 2020:				
Funds-of-funds	$17,543	$ –	Semi-monthly	5 days
Funds-of-funds	9,468	–	Monthly	15 days
Funds-of-funds	48,190	–	Quarterly	45 – 65 days**
Funds-of-funds	23,631	–	Annual	60 - 90 days
Funds-of-funds	9,631	–	Semi-annual	60 days*
Funds-of-funds	9,717	20,156	Illiquid	N/A
Collective trust funds	15,326	–	Daily	10 days
Collective trust funds	4,980	–	Weekly	10 days
Collective trust funds	49,890	–	Monthly	6 – 10 days

(In thousands)

14. Fair Value Measurements (Continued)

	Fair Value	Unfunded Commit-ments	Redemption Frequency	Redemption Notice Period
September 30, 2019:				
Funds-of-funds	$15,855	$ –	Semi-monthly	5 days
Funds-of-funds	10,123	–	Monthly	15 days
Funds-of-funds	57,755	–	Quarterly	45 – 65 days
Funds-of-funds	14,807	–	Annual	60 - 90 days
Funds-of-funds	8,912	–	Semi-annual	60 days*
Funds-of-funds	4,979	15,283	Illiquid	N/A
Collective trust funds	14,569	–	Daily	10 days
Collective trust funds	48,251	–	Monthly	6 – 10 days

* Limited to 25% of the investment balance at each redemption.

** One investment has a one-year lock period and redemption of one investment is limited to 12.5% of the investment balance at each redemption.

Investment Strategies

Fixed Income Securities

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

Marketable Equity and Other Securities

The primary purpose of marketable equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total marketable equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

The System invests in other securities that are considered alternative investments that consist of limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. Collective trust funds are generally valued based on the proportionate share of total fund net assets.

(In thousands)

14. Fair Value Measurements (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 and is estimated using the net asset value per share of the fund. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

The Hospital has committed to invest up to $28,683 with various investment managers, and had funded $8,527 of that commitment as of September 30, 2020. As these investments are made, the Hospital reallocates resources from its current investments resulting in an asset allocation shift within the investment pool.

Inflation-Protected Securities

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

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts and pledges receivable, accounts payable and accrued expenses, estimated third-party payor settlements, and long-term debt and notes payable. The fair value of all financial instruments other than long-term debt and notes payable approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. The fair value of the System's long-term debt and notes payable is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements. The carrying value and fair value of the System's long-term debt and notes payable amounted to $122,725 and $135,943, respectively, at September 30, 2020, and $129,436 and $148,672, respectively, at September 30, 2019.

15. Financial Assets and Liquidity Resources

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs, consisted of the following at September 30, 2020:

Cash and cash equivalents	$ 29,342
Short-term investments	73,907
Accounts receivable	66,175
Funds held by trustee for workers' compensation reserves, self-insurance escrows and construction costs	18,000
	$187,424

15. Financial Assets and Liquidity Resources

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents and short-term investments include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated assets without donor restrictions that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of September 30, 2020, the balance of liquid investments in board-designated assets was $287,980.

CONCORD HOSPITAL - LACONIA
BOARD OF TRUSTEES
2021

Name	Mailing Address	Business Address/Phone/Fax/E-mail	
Sol Asmar			
William Chapman, Esq. *Secretary*	Orr & Reno, PA 45 S. Main Street PO Box 3550 Concord, NH 03302-3550	Same	223-9107 223-9007 F wlc@orr-reno.com
Philip Emma *Chair*			
Manisha Patel, DDS *Vice Chair*			
Robert Segal	Sanel Auto Parts 102 Old Turnpike Rd. Concord, NH 03301	Same	410-2597 225-2136 F bsegal@sanelnapa.com
Robert Steigmeyer *President and CEO* (ex-officio w/ vote)	Capital Region Health Care Concord Hospital 250 Pleasant Street Concord, NH 03301	Same	227-7000x3003 228-7123 F rsteigmeyer@crhc.org
Invited to attend w/o vote:			
Kevin Donovan *Chief Admin Officer*	Concord Hospital - Laconia Concord Hospital – Franklin 80 Highland Street Laconia, NH 03246	Same	527-2898 kdonovan@lrgh.org
Vercin Ephrem, MD	Concord Hospital – Laconia Concord Hospital – Franklin *Medical Staff President* 80 Highland Street Laconia, NH 03246	Same	524-3211x7066 vephrem@lrgh.org
Matthew Gibb, MD *Chief Clinical Officer*	Concord Hospital 250 Pleasant Street Concord, NH 03301	Same	227-7000x7260 mgibb@crhc.org
Scott W. Sloane *Treasurer*	Chief Financial Officer Capital Region Health Care Concord Hospital 250 Pleasant Street Concord, NH 03301	Same	227-7000x6059 ssloane@crhc.org

5.1.2021

Corey E. Gately
[redacted]

Education

Springfield College School for Human Services, Manchester, NH
Master's of Science in Human Services, concentration in Community Psychology
Graduated May 1995
GPA: 3.9

Keene State College, Keene, NH
Bachelor of Arts in Psychology and Sociology
Associate's in Chemical Dependency
Psychology Honor Society
Graduated May 1993

Experience

August 2018 – Present
Concord Hospital - Laconia
Director of Substance Use Services
The Doorway at Concord Hospital - Laconia
Concord Hospital – Laconia & Franklin Recovery Clinic

January 2018 – December 2018
Plymouth State University
Teaching Lecturer

May 2015 – present
Lakes Region General Healthcare Recovery Clinic – Laconia, NH
Clinical Program Coordinator
Master's Licensed Alcohol and Drug Counselor
DOT Substance Abuse Professional

September 2012 – May 2015
Horizons Counseling Center, Gilford, NH
Intensive Outpatient Substance Abuse Counselor
Master's Licensed Alcohol and Drug Counselor
DOT Substance Abuse Professional

June 2001 - August 2012
Lakes Region General Healthcare, Laconia, NH
Intensive Outpatient Substance Abuse Counselor
Master's Licensed Alcohol and Drug Counselor
DOT Substance Abuse Professional

Current Activities

Franklin Mayor's Task Force
Gilford Together Committee Member
St. Baldrick's Committee Member
Gilford School District Parent Volunteer

NAADAC Member and NHADACA Member
2011 New Hampshire 40 under 40 Award
2012 NHADACA Counselor of the Year
2016 Leadership Lakes Region Participant

Erika Houten

Authorized to work in the US for any employer

Work Experience

Patient Navigator

The Doorway at Concord Hospital - Laconia- Laconia, NH
February 2019 to Present

Helping people access and get to all treatment types for substance use disorder. Following up with these people as well as the facilities and programs which they may have applied for. Working with DCYF as well as probation and parole and other area agencies.

Shared Family Living Provider

Lakes Region Community Service Council
August 2008 to Present

Shared Family Living Provider (Adult w/Disabilities in my home)

- Bathing
- Toileting (some incontinence)
- All personal care
- Dressing
- Supporting in community and personal relationships
- Active Part of her Care Team
- Assistance with all ADLs
- Scheduling appointments
- Assisting with communication (she is non verbal/uses minimal sign)

ER Technician

LRGHealthcare - Laconia, NH
September 2016 to February 2019

I am a Mental Health worker in the emergency psych department. I help patients with substance misuse disorders and mental health issues.

LNA

Concord Hospital - Concord, NH
November 2015 to May 2017

Per diem LNA on an adult Med-Surge unit. All responsibilities of an LNA working as part of a team to provide the best patient care possible.

Adult & Senior Psychiatric Patient Care

Franklin Region Hospital & Lakes Region General Hospital - Franklin, NH
October 2013 to April 2015

Per diem LNA on an Adult DRF, also per diem in Gero Psych, Med Surge and ICU

- Adult & Senior Psychiatric Patient Care
- Bathing
- Toileting
- All personal care
- Supporting Adults and Seniors with Psychiatric and Mental Health Issues
- Deescalating patients that may be aggressive verbally or physically
- Reporting behaviors and complaints to the RN
- Monitoring agitation levels, sleep, and safety for all patients
- CPI certified

Front Desk Receptionist

Riverbend Community Mental Health - Concord, NH
July 2007 to June 2008

Answering Phones
- Scheduling Appointment thru Computerized system
- Assisting clients with mental health emergencies, by calming them and contacting appropriate team members
- Filing
- Billing
- Active Part of the Administrative Team to support the Mental Health Office

Customer Service Associate

Cigna Healthcare - Hooksett, NH
November 2005 to July 2007

High Volume call center for Cigna Healthcare.
- Premium Billing.
- Handle over 100+ inbound calls per shift.
- Take incoming calls from both providers and members answering questions about benefits and claims.
- Resolving eligibility claims and benefits issues using industry software and tools.
- Document all activities to ensure accurate reporting of plan issues.
- Provide timely resolution of claim issues within company standards.
- Troubleshooting claims to find out why they were processed incorrect.
- Verify whether or not the providers are in network.
- Data entry.
- Processing returned claims.

Administrative Assistant

M&D Paving Enterprises - Belmont, NH
April 2001 to November 2005

Seasonal, Light Quick Books exp.
- Payroll, filing, banking (deposits)
- Answering heavy call volume relating to sales and customer concerns
- Setting appointments
- Direct interaction with the president on a daily basis and other work related errands.

Education

In progress of obtaining my BA in Psychology
SNHU - Manchester, NH
2012 to 2016

Certifications and Licenses

CPR

Additional Information

TECHNICAL SKILLS:

- Windows NT 4.0/2000/XP • MS Outlook • PC's
- Microsoft Office, • Color Laser Printers • Quick books • Fax machine
- Xerox & Cannon Copiers

MARK DORMAN

mdorman@lrgh.org

I have strived to perform at my optimum potential. Throughout my work experience, I have always been reliable and have always been the person that people have looked up to. I have been trusted with various duties and obligations that I have taken on with enthusiasm and a willingness that many people have admired. I take pride in the job that I do and find reward in helping people that need help.

EXPERIENCE

JULY 2019 – PRESENT

Administrative Assistant, THE DOORWAY AT CONCORD HOSPITAL - LACONIA

- ANSWERED PHONES AND RELAYED CORRESPONDENCE WHEN NECESSARY
- RECEIVED AND SUBMITTED BILLING FOR ALL DOORWAY EXSPENSES.
- MAINTAINED A CALL LOG FOR THE DEPARTMENT
- MAINTAINED AND COMPLETED VARIOUS STATE REPORTS ON A MONTHLY BASIS.
  - MONTHY DOORWAY NUMBERS REPORT
  - FLEXIBLE SPENDING REPORT
  - NALOXONE BALANCE REPORT
- DATA ENTRY FOR ALL CLIENTS
- REGISTRATION OF CLIENTS/ENCOUNTER INTO THE HOSPITAL PLATFORMS
- INPUTTING CHARGES FOR CLIENTS PER ENCOUNTER
- ASSIST IN MAINTAINING GREAT WORKING RELATIONSHIPS WITH COMMUNITY PARTNERS
- DISTRABUTION OF NALOXONE TO VARIOUS COMMUNITY PARTNERS

DECEMBER 2016-PRESENT

REALTOR, KELLER WILLIAMS METROPOLITAN

- Prepared market analysis statistics, bid presentation for buyers & sellers, researched listings, set up title searches and home inspections
- Promoted sales through advertising; worked with multiple websites to promote seller's home, hosted open house events, and participated in the multiple listing services
- Established positive flow of communication with agents, clients, and all personnel involved in closing transactions
- Negotiated contracts with agents representing buyers and sellers
- Educated sellers and buyers concerning legal disclosures
- Facilitated the closing process on behalf of the clients and insured that all parts of the contracts were met prior to closing

NOVEMBER 2005 – JULY 2019

MASTER SECURITY OFFICER, LAKES REGION GENERAL HOSPITAL

- I help maintain a safe environment for patients, visitors, and employees.

- I have to be ready for any disturbances that may put patients, visitors, and employees in danger.
- I conduct various rounds to insure the security of the hospital and the outside practices of the hospital.
- I have dealt and continue to deal with mental health patients on a daily basis.
- I have restrained patients, via 4-point, that have become out of control and are either suicidal, a flight risk, or another form of risk that may be harmful to themselves or others.
- I am in charge of key disbursement through requisitions forms that come into the security department.
- I have conducted restraint training to various departments throughout the organization.
- I have conducted the monthly duress alarm testing in the facility.
- I have conducted fire extinguisher checks on a monthly basis.
- With the role of Master Security Officer, I am the Officer in charge when there is not a Security Sergeant on duty.

MAY 2001 – OCTOBER 2005

HEAD COUNSILOR, RECREATION LEADER, THE BALSAMS GRAND RESORT

- In the summer time, I was the head Counselor for the children's camp.
- I led, organized, and controlled activities for the children.
- I was also a Lifeguard for our outdoor pool.
- My responsibilities were to maintain a safe environment for the guests in and around the pool.
- In the winter season, I was the Recreation Leader.
- My responsibilities were to lead and help organize the winter activities for the guests.

EDUCATION

SEPTEMBER 2000 – JANUARY 2002

STUDIED SPORTS MANAGEMENT, NICHOLS COLLEGE

SEPTEMBER 2002 – MAY 2004

ASSOCIATES IN BUISNESS ADMINISTRATION WITH A SPECIALIZATION IN SPORTS MANAGEMENT, NEW HAMPSHIRE TECHNICAL INSTITUTE

SKILLS

- People-person
- Microsoft Excel, Word, and PowerPoint
- Sales
- Organizational
- Communication and Listening
- Customer Service

ACTIVITIES

There are many things in life that I find truly happy. One of them being spending as much time as I can with my family. Another passion I have is softball and basketball. I enjoy playing in the local leagues and really developing team building.

CERTIFICATIONS/LICENSES

- Real Estate Salesperson
- IAHSS – Supervisory
- CPR/AED

CURRICULUM VITAE

PAUL F. RACICOT, MD
August 2016

HOME: [redacted]

OFFICE: Lakes Region General Hospital
Emergency Department
80 Highland Street
Laconia, NH 03246
Tel. (603) 527-2819

EDUCATION

6/77	**BA**, Bowdoin College, Brunswick, ME Phi Beta Kappa
6/82	**MD**, University of Massachusetts Medical School, Worcester, MA

POST GRADUATE TRAINING

1982 - 1983	**Internship - Internal Medicine**
1983 - 1985	**Residency - Internal Medicine** Berkshire Medical Center, Pittsfield, Massachusetts (a major teaching hospital of UMass Medical School)
1985	* Recipient of "Outstanding Resident Teacher Award"

PRACTICE EXPERIENCE

1985 - 1986	**Emergency Room Physician** (Full Time) • Hillcrest Hospital, Pittsfield, MA
1986 - 2006	**Director, Emergency Room Services** **Active Staff** with privileges in **Emergency Medicine** **Courtesy Staff** with privileges in **Internal Medicine** • Franklin Regional Hospital, Franklin, NH
1986 - 1992	**Visiting Staff** with privileges in **Emergency Medicine** • Lakes Region General Hospital, Laconia, NH
1989 - 1995	**Courtesy Staff** with privileges in **Emergency Medicine** • Concord Hospital, Concord, NH • Huggins Hospital, Wolfeboro, NH
1989 - Present	**Director, Employee/Occupational Health Department** • Franklin Regional Hospital, Franklin, NH
1992 - 2006	**Chief, Emergency Services** **Active Staff** with privileges in **Emergency Medicine** • Lakes Region General Hospital, Laconia, NH
1997 - 2014	**President, Central NH ER Associates** 174 Philbrook Road, Sanbornton, NH
2000, 2001, 2002	**NH Top ER Doc 2000, 2001, and 2002** *New Hampshire* magazine
2000 – Present	**Medical Director, Nathan Brody Outpatient Chemical Dependency Program** 73 Daniel Webster hwy, Belmont, NH 03220
2002 - Present	**Chairman, Department of Medicine** • LRGHealthcare, Laconia, NH
2006 – Present	**Assistant Director ER Services** • Lakes Region General Hospital • Franklin Regional Hospital

PRACTICE EXPERIENCE

2009 – Present	**Clinical Coordinator, 3rd Year Medical Students** • LRGHealthcare, Laconia, NH
2010-Present	Regional Clinical Dean UNE Medical School, • Biddeford, ME
2015—Present	**President of the Medical Staff of LRGHealthcare** • Lakes Region General Hospital • Franklin Regional Hospital

CERTIFICATIONS

09/11/85	**American Board of Internal Medicine**
12/08/89	**American Board of Emergency Medicine**
12/98 – Present	**Certified Medical Review Officer**

TRUSTEE

1988 - 1994	**New Hampshire Hospital Association** 125 Airport Road, Concord, NH
1991 - 2002	**Franklin Regional Hospital** 15 Aiken Avenue, Franklin, NH
2009 - Present	**LRGHealthcare** **Lakes Region General Hospital** 80 Highland Street, Laconia, NH

MEMBERSHIP

1986 - Present	**Member, New Hampshire Medical Society**
1995 - 1997	**Member, New Hampshire Board of Medicine**
1997 - Present	**Member, American College of ER Physicians**
2013 – Present	**Treasurer, New Hampshire Medical Society**

PERSONAL DATA

Born in Oxford, MA - 1955
Married with two children

REFERENCES

Personal and professional references provided on request

LORI L. SEOG, LADC

[redacted]

EMPLOYMENT

September 2019 to Present

Concord Hospital – Franklin
14 Aiken Street, Franklin, NH
Recovery Clinic Counselor

- Provide clinical screening, assessment and counseling to adult men and women related to substance use disorders
- Conduct clinical evaluations for clients accessing emergency substance use disorder services
- In collaboration with clients, create meaningful treatment plans to support desired personal recovery outcomes
- Facilitate group counseling sessions to include psycho-education
- Identify resources and provide case management to clients needing supports such as housing, insurance, food, etc.
- Manage data, files, and required client documentation
- Prepare comprehensive clinical evaluations regarding client history of misuse and identification of appropriate recommendations
- Work with community providers to identify crisis interventions as required

April 2017 to Present

CHANGING POINT COUNSELING, LLC
20 Canal Street, Suite 315, Franklin, NH
Licensed Alcohol and Drug Counselor

- Provide clinical screening, assessment and counseling to adolescent/adult men and women related to substance use disorders
- Work in collaboration with clients to create meaningful treatment plans
- Identify resources and provide case management to clients needing supports such as housing, insurance, food, etc.
- Manage data, files, and required client documentation
- Prepare comprehensive clinical evaluations regarding client history of misuse and identification of appropriate recommendations
- Authorized by State of New Hampshire as an Impaired Driver Services Provider
- Instruct psycho-educational classes related to trauma, substance misuse, and life skills
- Work with community providers to identify crisis interventions as required
- Full-time position through September 2019 and presently working part-time in this role

December 2010 - February 2017

MERRIMACK COUNTY DEPARTMENT OF CORRECTIONS
314 Daniel Webster Highway, Boscawen, NH
Chief/Administrator of Programs and Services

- Provided oversight of inmate management to include community corrections, mental health services, substance use disorder services, and rehabilitative services
- Created, modified and recommended programs, policies, and procedures to support agency operations
- Facilitated individual and group substance use disorder counseling sessions
- Instructed psycho-educational classes related to trauma, substance misuse, and life skills
- Participated as member of the Department's executive staff
- Conducted inspections of correctional facility to assess operations
- Developed and monitored budget and grants for Programs and Services Section
- Ensured regulatory compliance with local, state, and federal laws
- Handled inmate grievances and personnel investigations as directed by the Superintendent
- Interpreted and enforced policies, rules, and regulations of the agency
- Provided comprehensive case management to male and female offenders as needed
- Collaborated with community partners to identify resources to support inmates' transition from jail to community
- Provided crisis intervention to inmates with co-occurring disorders

December 2007 - January 2011
STATE OF NEW HAMPSHIRE, DEPARTMENT OF CORRECTIONS
105 Pleasant Street, Concord, NH
Administrator III, Director of Programs, Bureau of Programs

- Interpreted the needs of and provided oversight of service delivery for all male and female offenders in the content areas of education, career and technical education, family support, substance use disorder services, recreation, library, chaplaincy, volunteer services, and case management within each of the Department's state prisons
- Worked directly with the Assistant Commissioner and Commissioner of the Department to strategize and achieve agency goals and objectives
- Developed, implemented and reviewed policies and procedures for long-term administration of departmental programs
- Ensured regulatory and legal compliance was achieved and maintained in areas of oversight
- Monitored operational activities throughout the Bureau for efficient and effective allocation of agency resources by evaluating programs and implementing changes as necessary
- Managed staffing plans for up to 85 employees as well as personnel policies to accomplish organizational objectives
- Represented the Department at legislative hearings and public speaking engagements
- Responsible for budget development and accountability as related to the Bureau of Programs

July 2007 - December 2007
STATE OF NEW HAMPSHIRE, DEPARTMENT OF CORRECTIONS
105 Pleasant Street, Concord, NH
Administrator III, Administrator of Women Offenders and Family Services

- Developed and coordinated programs within the NH Department of Corrections State Prison for Women to ensure gender responsive and evidence based measures were utilized to meet the specific needs of women
- Developed, implemented and reviewed policies, procedures and programs related to women
- Monitored operational activities for efficient and effective allocation of agency resources by evaluating programs and authored changes as necessary
- Planned, developed and provided training for successful program implementation
- Evaluated quality assurance for all Department of Corrections' treatment programs and any contracted programs to maintain program consistency
- Conferred with and made recommendations to the Commissioner, Assistant Commissioner or designee, regarding program services and management strategies for any changes to meet agency objectives
- Provided input regarding necessary data collection and evaluation to measure effective programming and supervision
- Acted as Interim Director of Programs, Bureau of Programs for the NH Department of Corrections

November 2004 - July 2007
STATE OF NEW HAMPSHIRE, DEPARTMENT OF CORRECTIONS
1 Right Way Path, Laconia, NH
Case Counselor/Case Manager

- Observed inmates and collaborated with colleagues to develop programs for assessing resident treatment and rehabilitation services
- Established treatment goals and developed individualized treatment programs for incarcerated offenders in preparation for release
- Prepared reports and case summaries for Office of Parole and the Courts
- Provided consultation services to other professionals, employers, probation and parole officers, police and others regarding program objectives of incarcerated participants
- Developed and taught life skills educational opportunities; facilitated peer support groups

March 2003 - December 2004
LAKES REGION COMMUNITY SERVICES COUNCIL
635 Main Street, Laconia, NH
Family Support Manager

- Interpreted the needs of the community to develop and evaluate relevant programming for children, adolescents, adults, and families
- Directed operation of Family Resource Center programs and services to at-risk families and in-home supports

- Engaged in public speaking, workshop leadership, and education
- Responsible for developing, implementing grants and monitoring program budgets
- Supervised and implemented State of New Hampshire's Comprehensive Family Support Grant
- Supervised staff and volunteers
- Researched, developed, managed and implemented grants

February 2001 - June 2002

CHIROPRACTIC ASSOCIATES OF BEDFORD
39 So. River Road, Bedford, NH
Marketing and Promotions Outreach Specialist

- Developed and implemented all aspects of marketing strategy for three doctor practice and supporting services
- Created and implemented special events and educational offerings both on and off-site
- Maintained and provided oversight of computer systems
- Responsible for management and purchasing of business supplies
- In absence of Business Administrator, responsible for all levels of business operations to include payroll, accounts receivables, banking, and personnel management

March 1994 - December 2000

PENACOOK COMMUNITY CENTER
76 Community Drive, Penacook, NH
Executive Director

- Chief Executive Officer of a non-profit agency that provided educational, social, and recreational needs within the community for children, adolescents, adults, and senior citizens
- Responsible for fiscal management to include budgeting, fundraising and grant development as well as oversight implementation of organization policies and personnel management to include hiring, firing and staff development
- Interpreted the needs of the community to develop relevant programming for children, teens, adults, and senior citizens
- Supervised juvenile diversion program for adjudicated and pre-adjudicated youth
- Set guidelines for supervision of youth behavior within all programs
- Collaborated with various local, county, school district and social service agencies to develop and implement programs for children, adolescents, adults and senior citizens
- Insure agency met all state, local and county government licensing requirements
- Developed strategic, long-range plans for organization in collaboration with Board of Directors

EDUCATION

Southern New Hampshire University, Manchester, NH
January 2012 – March 2013, Master of Science, Justice Studies/Public Administration

American Jail Association and Correctional Management Institute of Texas at
Sam Houston University, Huntsville, TX
National Jail Leadership Command Academy Class #11
Graduate, November 2012

National Institute of Corrections, Aurora, CO
Executive Excellence Class #14
Graduate, January 2011

State of New Hampshire Police Standards and Training Council, Concord, NH
New Hampshire Department of Corrections Academy Class #79
Graduate, May 2005

Franklin Pierce University, Concord, NH
December 2004, Bachelor of Arts, Human Services/Social Work, *Magna Cum Laude*
May 2000, Associate of Arts Degree, Management
October 1988, Certificate, Business Management

PERSONAL

State of New Hampshire, Licensed Alcohol and Drug Counselor, License #0124 (LADC)
State of New Hampshire authorized Impaired Driver Service Provider
Certified Recovery Coach, Connecticut Community for Addiction Recovery
Notary Public
Justice of the Peace
Leadership Greater Concord Program Graduate, 2015-2016
Member, New Hampshire Association of Alcohol and Drug Counselors
Member, New Hampshire Providers Association
Franklin Animal Shelter Volunteer, Former Board Member/Officer
Employee of the Year 2004, Lakes Region Facility, NH Department of Corrections
Employee of the Quarter, Merrimack County Department of Corrections
Computer Literate to include Microsoft Word, Excel, Publisher, Visio, and PowerPoint
Former Board Member Good Life/Centennial Senior Center; Merrimack Valley Little League; Merrimack Valley Youth Soccer; Appalachian Mountain Teen Project and Very Special Arts New Hampshire

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Paul Racicot MD	Medical Director	$247,000	10%	$24,700.00
Corey Gately	Director Substance Use Services	$108,078.40	70%	$75,654.88
Lori Seog	Licensed Alcohol and Drug Counselor	$45,393.92	100%	$45,393.92
Mark Dorman	Administrative Assistant	$37,752.00	100%	$37,752.00
Erika Houten	Patient Navigator	$43,160.00	100%	43,160.00

27 mac

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

Lori A. Shibinette
Commissioner

Katja S. Fox
Director

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

May 17, 2021

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, to enter into a **Retroactive, Sole Source** contract with Concord Hospital, Inc. - Laconia (Vendor #355356) of Laconia, New Hampshire, for the provision of Medication Assisted Treatment to individuals with Opioid Use Disorders in the amount of $95,000, with the option to renew for up to one (1) additional year, effective retroactive to May 1, 2021 upon Governor and Council approval through September 29, 2021. 100% Federal Funds.

Funds are available in the following account for State Fiscal Year 2021, and are anticipated to be available in State Fiscal Year 2022, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-92-920510-70400000 HEALTH AND HUMAN SVCS, DEPT OF HHS: BEHAVIORAL HEALTH, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2021	102-500731	Contracts for Program Svs	92057047	$33,000
2021	102-500731	Contracts for Program Svs	92057048	$14,000
2022	102-500731	Contracts for Program Svs	92057040	$48,000
			Total	**$95,000**

EXPLANATION

This request is **Retroactive** because LRGHealthcare, one of the Department's original contractors to provide medication assisted treatment to individuals with opioid use disorders, filed for bankruptcy in October of 2020 and its assets were acquired by Concord Hospital, Inc. – Laconia, effective May 1, 2021. As part of the acquisition agreement approved by the New Hampshire Attorney General's Office, Concord Hospital, Inc. – Laconia is required to provide all contract services previously provided by LRGHealthcare in the contract approved by the Governor and Executive Council on December 15, 2018 Item #22, and amended on January 22, 2021 Item

#22. This new contract transfers all existing obligations and the remaining price limitation of the original contract to Concord Hospital, Inc., - Laconia.

This request is **Sole Source** due to the bankruptcy and acquisition agreement, as LRGHealthcare was the Contractor selected by the Department to provide Medication Assisted Treatment in the Laconia Region as part of the statewide system designed to deliver coordinated services.

The purpose of this request is to allow the Contractor to provide comprehensive Medication Assisted Treatment to individuals with Substance Use Disorder by using FDA-approved medications. In addition to MAT services for general community members, the Contractor will ensure the provision of services specifically designed for pregnant and postpartum women with Opioid Use Disorder.

Approximately 135 individuals with substance use disorder who are in need of medication assisted treatment will be served from May 1, 2021 to September 29, 2021.

The Department will monitor contracted services through monthly reports to ensure:

- Fifty percent (50%) of individuals with Opioid Use Disorder referred to the Contractor for Medication Assisted Treatment services receive at least three (3) clinically appropriate, Medication Assisted Treatment related services.
- One hundred percent (100%) of clients seeking services that enter care directly through the Contractor, who consent to information sharing with the Regional Doorway for Opioid Use Disorder services, receive a Doorway referral for ongoing care coordination.
- One hundred percent (100%) of clients referred to the Contractor by the Regional Doorway for Opioid Use Disorder services have proper consents in place for transfer of information for the purposes of data collection between the Doorway and the Contractor.

Should the Governor and Executive Council not authorize this request, individuals with opioid use disorder in need of Medication Assisted Treatment and additional supports may have reduced access to services or increased likelihood of having to be placed on a waitlist to access care. This may result in an increase of overdose fatalities during the waiting period and/or reduced motivation to seek help if it is unavailable to individuals when they are ready to seek assistance for Opioid Use Disorder.

Area served: Laconia Region.

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: Medication Assisted Treatment (SS-2021-BDAS-09-MEDIC)

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 Concord Hospital, Inc. - Laconia		1.4 Contractor Address 80 Highland Street, Laconia, NH 03246	
1.5 Contractor Phone Number (603) 524-3211	1.6 Account Number 05-95-92-7040-500731	1.7 Completion Date September 29, 2021	1.8 Price Limitation $95,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by: Scott W Sloane Date: 4/30/2021		1.12 Name and Title of Contractor Signatory Scott W Sloane Chief Financial Officer	
1.13 State Agency Signature DocuSigned by: Katja Fox Date: 4/30/2021		1.14 Name and Title of State Agency Signatory Katja Fox Director	
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: DocuSigned by: Takhmina Rakhmatova		On: 5/5/2021	
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number:		G&C Meeting Date:	

Contractor Initials: SWS

Date: 4/30/2021

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

Contractor Initials SWS (05)

Date 4/30/2021

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 omissions of the

Contractor Initials SWS

Date 4/30/2021

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

Contractor Initials SWS (DS)

Date 4/30/2021

New Hampshire Department of Health and Human Services
Medication Assisted Services

EXHIBIT A

Revisions to Standard Agreement 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 and Executive Council of the State of New Hampshire as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, shall become effective on May 1, 2021. ("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 additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

1.3. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

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

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Exhibits D through K are attached hereto and incorporated by reference herein.

2. Scope of Work – Community Based

2.1. The Contractor shall provide comprehensive MAT for individuals with opioid use disorder including, but not limited to delivering outpatient or intensive outpatient treatment to individuals with Opioid Use Disorder (OUD) in accordance with the American Society of Addiction Medicine (ASAM) criteria.

2.2. The Contractor shall be a certified Opioid Treatment Program in accordance with He-A 304 if methadone is used for patients served under this contract.

2.3. The Contractor shall coordinate services with community-based agencies that provide non-SUD treatment services to individuals with OUD in need of additional human service agency services and supports.

2.4. The Contractor shall ensure new patients are provided with an initial meeting that will assist them with:

2.4.1. Gaining a full understanding of the clinic's guidelines.

2.4.2. Obtaining insurance benefits, community services, and counseling.

2.5. The Contractor shall ensure patient-centered care and attention to overdose prevention by using tools which include, but are not limited to:

2.5.1. Center for Disease Control (CDC) opioid prescribing guidelines.

2.5.2. Substance Abuse and Mental Health Services Administration's (SAMHSA's) Opioid Overdose Prevention Toolkit.

2.5.3. State published Guidance Document on Best Practices: Key Components for Delivering Community Based Medication Assisted Treatment Services for Opioid Use Disorders in New Hampshire.

2.6. The Contractor shall provide OUD treatment services that support the Resiliency and Recovery Oriented Systems of Care (RROSC) by operationalizing the Continuum of Care Model. (More information can be found at: http://www.dhhs.nh.gov/dcbcs/bdas/continuum-of-care.htm).

2.7. The Contractor shall provide interim OUD treatment services when the needed treatment services are not available to the client within forty-eight (48) hours of referral. Interim services shall include:

2.7.1. At least one sixty (60) minute individual or group outpatient session per week.

2.7.2. Recovery support services (RSS) as needed by the client.

2.7.3. Daily calls to the client to assess and respond to any emergent needs.

2.8. The Contractor shall ensure that clients are able to move seamlessly between levels of care within a group of services. At a minimum, the Vendors must:

2.8.1. Collaborate with the Continuum of Care Facilitator(s) in the development of a resiliency and recovery oriented system of care (RROSC) in the region(s) served.

2.8.2. Participate in the Regional Continuum of Care Workgroup(s).

2.8.3. Coordinate all services delivered to clients with the local Regional Hub for OUD services (hereafter referred to as "Doorway") including, but not limited to accepting clinical evaluation results for level of care placement from the Doorway.

2.9. Before disclosing or re-disclosing any patient information, the Contractor shall ensure that all required patient consent or authorizations to disclose or further disclose confidential protected health information (PHI) or substance use disorder treatment information (SUD) according to all state rule, state and federal law and the special rules for redisclosure in 42 CFR part 2 have been obtained.

2.10. The Contractor shall modify their office electronic health record (EHR) and clinical work flow to ensure required screening activities by clinical staff and appropriate required data collection by care coordinators.

2.11. The Contractor shall establish and maintain formal and effective partnerships with behavioral health, OUD specialty treatment, and RSS, and medical practitioners to meet the needs of the patients served.

2.12. The Contractor shall collaborate and develop formal referral and information sharing agreements with other providers that offer services to individuals with OUD, including the local Doorway.

2.13. The Contractor shall communicate client needs with the Doorway(s) to ensure client access to financial assistance through flexible needs funds managed by the Doorway(s).

2.14. The Contractor shall maintain the infrastructure necessary to:

2.14.1. Achieve the goals of MAT expansion.

2.14.2. Meet SAMHSA requirements.

2.14.3. Deliver effective medical care to patients served under this contract.

2.15. The Contractor shall actively participate in state-funded projects which include, but are not limited to:

2.15.1. "Community of Practice for MAT."

2.15.2. Project-specific trainings.

2.15.3. Quarterly web-based discussions.

2.15.4. On-site Technical Assistance (TA) visits.

2.15.5. Ad hoc communication with expert consultants on MAT clinical care topics such as Hepatitis C Virus (HCV) and Human Immunodeficiency Virus (HIV) prevention, diversion risk mitigation and other relevant issues.

2.16. The Contractor shall ensure compliance with confidentiality requirements which include, but are not limited to:

2.16.1. Federal and state laws and New Hampshire state administrative rules.

2.16.2. HIPAA Privacy Rule.

2.16.3. 42 C.F.R Part 2.

2.17. The Contractor shall have policies and procedures in place to ensure that all staff are trained in the areas listed in Subsection 2.16 and will safeguard all confidential information.

2.18. The Contractor shall participate in all evaluation activities associated with the funding opportunity, including national evaluations.

2.19. The Contractor shall utilize a Quality Management System (QMS) to support quality improvement in order to ensure the standard of care for clients continuously improves which includes, but is not limited to:

2.19.1. Sustaining and improving performance in all patient care areas and supportive areas.

2.19.2. Improving the health and quality of life of community members.

2.19.3. Optimizing safety and preventing adverse events.

2.20. The Contractor shall implement correction action based on ongoing monitoring, using findings reported to the Senior Team and their CQI (Quality Improvement) Committee through the use of the FOCUS model (Find a process, Organize, Clarify, Understand, and Select a strategy) and the PDSA Cycle (Plan, Do, Study, Act).

2.21. The Contractor shall utilize the State's Prescription Drug Monitoring Program (PDMP) database to mitigate prescription drug diversion or harmful interactions.

2.22. The Contractor shall develop, obtain Department approval, and implement outreach and marketing activities specifically designed to engage the population(s) identified in the community using MAT and wrap around services that are culturally appropriate and follow Culturally and Linguistically Appropriate Standards (CLAS) standards.

2.23. The Contractor shall assess, plan, implement, and have improvement measures for the program.

2.24. The Contractor shall ensure meaningful input of patients in program assessment, planning, implementation, and improvement by implementing a We're Listening campaign, which allows patients to provide feedback through formal surveys and formal and/or informal sharing with individuals and departments including, but not limited to:

2.24.1. Staff.

2.24.2. The Department manager.

2.24.3. The Quality, Safety, and Patient Experience Department.

2.24.4. The Patient Relations Coordinator.

2.25. The Contractor shall have billing capabilities which include, but are not limited to:

2.25.1. Enrolling with Medicaid and other third party payers.

2.25.2. Contracting with managed care organizations and insurance companies for MAT.

2.25.3. Having a proper understanding of the hierarchy of the billing process.

2.26. The Contractor shall assist patients with obtaining either on-site or off-site RSSs including, but not limited to:

2.26.1. Transportation.

2.26.2. Childcare.

2.26.3. Peer support groups.

2.26.4. Recovery coach.

2.27. The Contractor shall establish agreements with specialty treatment organizations that can provide higher levels of OUD treatment and co-occurring mental health treatment.

2.28. If training or other services on behalf of the Department involve the use of social media or a website which solicits information of individuals, the Contractor shall collaborate with the DHHS Communications Bureau to ensure that NH DoIT website requirements are met, and that any Protected Health Information (PHI), Substance Use Disorder treatment data (SUD), Personal Information (PI), or other confidential information solicited shall not be maintained, stored or captured and shall not be further disclosed except as expressly provided in the contract.

2.29. Unless specifically required by the contract and unless clear notice is provided to users of the website or social media, the Contractor shall ensure that site visitation will not be tracked, disclosed or used for website or social media analytics or marketing.

3. Additional Scope of Services for Pregnant and Postpartum Women

3.1. The Contractor shall provide trauma-informed MAT services and supports to pregnant and postpartum women up to twelve (12) months postpartum.

3.2. The Contractor shall provide patients with referrals to resources including, but not limited to:

3.2.1. Local counselors.

3.2.2. Financial counselors.

3.2.3. Transportation assistance.

3.3. The Contractor shall ensure patient-centered, effective, integrated care and attention to overdose prevention by using tools that include, but are not limited to care guidelines for Obstetric and Gynecologic (OB/GYN) providers and delivery hospitals developed by the Northern New England Perinatal Quality Improvement Network (NNEPQIN), when applicable.

3.4. The Contractor shall ensure ongoing communication and care coordination with entities involved in the patients' care including, but not limited to child protective services, treatment providers, and home visiting services, when applicable.

3.5. The Contractor shall ensure that treatment is provided in a child-friendly environment with RSS available to participants including, but not limited to childcare.

3.6. The Contractor shall provide patients with access to Caring for Kids pediatric services which includes, but is not limited to:

3.6.1. Twenty-four hour, seven day a week (24/7) on-call pediatricians.

3.6.2. A family friendly, comfortable location.

3.6.3. Designated areas for well and sick children.

3.6.4. Experienced pediatricians who are:

3.6.4.1. Engaged in the community.

3.6.4.2. Leaders in community health for children.

3.6.5. Private Mother's Room for nursing mothers and a Lactation Support Group with a certified lactation consultant.

3.6.6. Depression screenings and referrals for new mothers.

3.7. The Contractor shall provide patients with access to Caring for Women services that provide:

3.7.1. Obstetric/gynecological (OBGYN) healthcare to women of all ages.

3.7.2. Prenatal care.

3.7.3. Meetings with a social worker who determines any trauma history and refers patients to appropriate care.

3.7.4. Written information on topics including, but not limited to:

3.7.4.1. The risks of substance use while pregnant.

3.7.4.2. Neonatal abstinence syndrome.

3.7.4.3. Breastfeeding.

3.7.4.4. The interactions of pharmacotherapy.

3.8. The Contractor shall participate in the development of an infant Plan of Safe Care (POSC) with birth attendants, the infant's parents or guardians, and the Department for each infant affected by illicit substance use, withdrawal symptoms, or a Fetal Alcohol Spectrum Disorder in order to:

3.8.1. Ensure the safety and well-being of the infant.

3.8.2. Address the health and opioid use treatment needs of the infant and affected family members or caregivers.

3.8.3. Ensure that appropriate referrals are made.

3.8.4. Ensure that services are delivered to the infant and affected family members or caregivers.

3.9. The Contractor shall provide parenting supports to patients including, but not limited to:

3.9.1. Parenting groups.

3.9.2. Childbirth education.

3.9.3. Safe sleep education.

3.9.4. Well child education.

4. Staffing

4.1. The Contractor shall meet the minimum MAT team staffing requirements which includes, but is not limited to at least one (1):

4.1.1. Waivered prescriber.

4.1.2. Masters Licensed Alcohol and Drug Counselor (MLADC); or master licensed behavioral health provider with addiction training.

4.1.3. Care coordinator.

4.1.4. Non-clinical/administrative staff.

4.1.5. Recovery Coach/Patient Navigator.

4.2. The Contractor shall ensure that all unlicensed staff providing treatment, education, and/or RSS:

4.2.1. Are under the direct supervision of a licensed supervisor.

4.2.2. Receive confidentiality training pursuant to vendor policies and procedures in compliance of NH State administrative rule, and state and federal laws.

4.3. The Contractor shall ensure that no licensed supervisor supervises more than twelve (12) unlicensed staff, unless the Department has approved an alternative supervision plan.

4.4. The Contractor shall ensure that unlicensed staff providing clinical or RSS hold a CRSW within twelve (12) months of hire or from the effective date of this contract, whichever is later.

5. Training

5.1. The Contractor shall ensure the availability of initial and on-going training resources to all staff to include buprenorphine waiver training for interested physicians, nurse practitioners, and physician assistants.

5.2. The Contractor shall develop a plan, for Department approval, to train and engage appropriate staff regarding buprenorphine waiver training.

5.3. The Contractor shall participate in training and technical assistant activities as directed by the Department including, but not limited to the Community of Practice for MAT which may include, but is not limited to:

5.3.1. Project-specific trainings, including trainings on coordinating client referrals for collection of data through the Government Performance and Results Modernization Act of 2010 (GPRA).

5.3.2. Quarterly web-based discussions.

5.3.3. On-site technical assistance visits.

5.3.4. Ad hoc communication with expert consultants regarding MAT clinical care topics including, but not limited to:

5.3.4.1. HCV and HIV prevention.

5.3.4.2. Diversion risk mitigation.

5.3.4.3. Other relevant issues.

5.4. The Contractor shall train staff as appropriate on relevant topics including, but not limited to:

5.4.1. MAT (e.g. prescriber training for buprenorphine).

5.4.2. Care coordination.

5.4.3. Trauma-informed wrap around care/RSS delivery best practices.

5.4.4. Evidence-Based Practices (EBPs) such as Screening, Brief Intervention, and Referral to Treatment (SBIRT), Cognitive Behavioral Therapy (CBT), and other training needs.

5.4.5. Safeguarding protected health information (PHI), substance use disorder treatment information (SUD) and any individually identifiable patient information.

6. Reporting and Deliverable Requirements

6.1. The Contractor shall coordinate the sharing of client data and service needs with the Doorway(s) to ensure that each patient served has a GPRA interview completed at intake, six (6) months, and discharge.

6.2. The Contractor shall gather and submit de-identified, aggregate patient data to the Department by the tenth (10th) day of each month using a Department-approved method. The Contract shall ensure the data collected includes, but is not limited to::

6.2.1. Diagnoses.

6.2.2. Demographic characteristics.

6.2.3. Substance use.

6.2.4. Services received.

6.2.5. Types of MAT received.

6.2.6. Length of stay in treatment.

6.2.7. Employment status.

6.2.8. Criminal justice involvement.

6.2.9. Housing.

6.3. The Contractor shall submit monthly reports on federally required data points specific to funding sources, as identified by SAMHSA and detailed in Exhibit C.

6.4. The Contractor shall provide a final report with de-identified, aggregate data to the Department within thirty (30) days of the termination of the contract regarding work plan progress including, but not limited to:

6.4.1. Policies and practices established.

6.4.2. Outreach activities.

6.4.3. Demographics (gender, age, race, ethnicity) of population served.

6.4.4. Outcome data (as directed by the Department).

6.4.5. Patient satisfaction findings.

6.4.6. Description of challenges encountered and action taken.

6.4.7. Other progress to date.

6.4.8. A sustainability plan to continue to provide MAT services to the target population(s) beyond the completion date of the contract, subject to approval by the Department.

6.5 The Contractor shall prepare and submit ad hoc data reports, respond to periodic surveys, and other data collection requests as deemed necessary by the Department and/or SAMHSA.

7. Performance Measures

7.1. The Contractor shall ensure that 50% of individuals with OUD referred to the Contractor for MAT services receive at least three (3) clinically-appropriate, MAT-related services.

7.2. The Contractor shall ensure that 100% of patients referred by other Hub(s) have proper consents in place for transfer of information for the purposes of data collection between the other Hub(s) and the Contractor.

7.3. The Contractor shall increase the number of patients enrolled in the MAT program by 25%.

7.4. The Contractor shall ensure that 50% of patients remain in the program for twelve (12) months.

7.5. The Contractor shall exceed customer expectations by achieving Clinician and Group Consumer Assessment of Healthcare Providers and Systems (CG-CAHP) scores equal to or greater than the 75th percentile ranking.

7.6. The Contractor shall ensure Provider Dashboard data meets or exceeds national benchmarks according to CG-CAHPS measurement tool.

7.7. The Contractor shall collaborate with the Department to enhance contract management, improve results and adjust program delivery and policy based on successful outcomes.

8. State Opioid Response (SOR) Grant Standards

8.1 In order to receive payments for services provided through SOR grant funded initiatives, the Contractor shall ensure each Site:

8.1.1 Establishes formal information sharing and referral agreements with all Doorways for substance use services that comply with all applicable confidentiality laws, including 42 CFR Part 2.

8.1.2 Completes client referrals to applicable Doorways for substance use services within two (2) business days of a client's admission to the program:

8.1.3 Only provides medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

8.2 The Contractor shall ensure that only FDA-approved MAT for OUD is utilized.

8.3 The Contractor shall provide the Department with a budget narrative within thirty (30) days of the contract effective date.

8.4 The Contractor shall meet with the Department within sixty (60) days of the contract effective date to review contract implementation.

8.5 The Contractor shall provide the Department with timelines and implementation plans associated with SOR funded activities to ensure services are in place within thirty (30) days of the contract effective date.

8.5.1 If the Contractor is unable to offer services within the required timeframe, the Contractor shall submit an updated implementation plan to the Department for approval to outline anticipated service start dates.

8.5.2 The Department reserves the right to terminate the contract and liquidate unspent funds, if services are not in place within ninety (90) days of the contract effective date.

8.6 The Contractor shall accept clients for MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

8.7 The Contractor shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

8.8 The Contractor shall ensure that all clients are regularly screened for, tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

8.9 The Contractor shall collaborate with the Department to understand and comply with all appropriate DHHS, State of NH, SAMHSA, and other Federal terms, conditions, and requirement.

8.10 The Contractor shall attest the understanding that SOR grant funds may not be used, directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana. The Contractor agrees that:

8.10.1 Treatment in this context includes the treatment of opioid use disorder (OUD).

8.10.2 Grant funds also cannot be provided to any individual who or organization that provides or permits marijuana use for the purposes of treating substance use or mental disorders.

8.10.3 This marijuana restriction applies to all subcontracts and memorandums of understanding (MOU) that receive SOR funding.

8.10.4 Attestations will be provided to the Contractor by the Department.

8.10.5 The Contractor shall complete and submit all attestations to the Department within thirty (30) days of contract approval.

8.11 The Contractor shall refer to Exhibit C for grant terms and conditions including, but not limited to:

8.11.1 Invoicing;

8.11.2 Funding restrictions; and

8.11.3 Billing.

New Hampshire Department of Health and Human Services
Medication Assisted Treatment

EXHIBIT C

Payment Terms

1. This Agreement is funded by100% Federal funds from the State Opioid Response Grant, as awarded on 09/30/2018, by the U.S. DHHS, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI081685, and as awarded on 09/30/2020, by the DHHS, Substance Abuse and Mental Health Services Administration, CFDA #93.788, FAIN H79TI083326.
2. For the purposes of this Agreement:
   2.1. The Department has identified the Contractor as a Subrecipient in accordance with 2 CFR 200.331.
   2.2. The Department has identified this Contract as NON-R&D, in accordance with 2 CFR §200.332.
   2.3. The de minimis Indirect Cost Rate of 10% applies in accordance with 2 CFR §200.414.
3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line item, as specified in Exhibit C-1 Budget through Exhibit C-3 Budget.
4. The Contractor shall seek payment for services, as follows:
   4.1. First, the Contractor shall charge the client's private insurance or other payor sources.
   4.2. Second, the Contractor shall charge Medicare.
   4.3. Third, the Contractor shall charge Medicaid enrolled individuals, as follows:
      4.3.1. Medicaid Care Management: If enrolled with a Managed Care Organization (MCO), the Contractor shall be paid in accordance with its contract with the MCO.
      4.3.2. Medicaid Fee for Service: The Contractor shall bill Medicaid for services on the Fee for Service (FFS) schedule.
   4.4. Fourth, the Contractor shall charge the client in accordance with the Sliding Fee Scale Program.
   4.5. Lastly, if any portion of the amount specified in the Sliding Fee Scale remains unpaid, charge the Department for the unpaid balance.
5. The Contractor shall submit an invoice in a form satisfactory to the State by the fifteenth (15th) working day of the following month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The Contractor shall ensure the invoice is completed, dated and returned to the Department in order to initiate payment. Invoices shall

be net any other revenue received towards the services billed in fulfillment of this agreement. The Contractor shall ensure:

5.1. Backup documentation includes, but is not limited to:

5.1.1. General Ledger showing revenue and expenses for the contract.

5.1.2. Timesheets and/or time cards that support the hours employees worked for wages reported under this contract.

5.1.2.1. Per 45 CFR Part 75.430(i)(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

5.1.2.2. Attestation and time tracking templates, which are available to the Department upon request.

5.1.3. Invoices supporting expenses reported.

5.1.3.1. Unallowable expenses include, but are not limited to:

5.1.3.1.1. Amounts belonging to other programs.

5.1.3.1.2. Amounts prior to effective date of contract.

5.1.3.1.3. Construction or renovation expenses.

5.1.3.1.4. Food or water for employees.

5.1.3.1.5. Directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana.

5.1.3.1.6. Fines, fees, or penalties.

5.1.3.1.7. Per SAMSHA requirements, meals are generally unallowable unless they are an integral part of a conference grant or specifically stated as an allowable expense in the FOA. Grant funds may be used for light snacks, not to exceed three dollars ($3.00) per person for clients.

5.1.3.1.8. Cell phones and cell phone minutes for clients.

5.1.4. Receipts for expenses within the applicable state fiscal year.

5.1.5. Cost center reports.

5.1.6. Profit and loss report.

5.1.7. Remittance Advices from the insurances billed. Remittance Advices do not need to be supplied with the invoice, but should be retained to be available upon request.

5.1.8. Information requested by the Department verifying allocation or offset based on third party revenue received.

5.1.9. Summaries of patient services revenue and operating revenue and other financial information as requested by the Department.

6. The Contractor is responsible for reviewing, understanding, and complying with further restrictions included in the Funding Opportunity Announcement (FOA).

7. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to melissa.girard@dhhs.nh.gov, or invoices may be mailed to:

   SOR Financial Manager
   Department of Health and Human Services
   105 Pleasant Street
   Concord, NH 03301

8. The Contractor agrees that billing submitted for review after twenty (20) business days of the last day of the billing month may be subject to non-payment.

9. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10. The final invoice shall be due to the State no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.

11. The Contractor must provide the services in Exhibit A, Scope of Services, in compliance with funding requirements.

12. The Contractor agrees that funding under this Agreement may be withheld, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit A, Scope of Services, including failure to submit required monthly and/or quartery reports.

13. Notwithstanding Paragraph 18 of the General Provisions 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.

New Hampshire Department of Health and Human Services
Medication Assisted Treatment

EXHIBIT C

14. Audits

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

14.1.1. 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.

14.1.2. 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.

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

14.2. 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.

14.3. 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.

14.4. Any Contractor that receives an amount equal to or greater than $250,000 from the Department during a single fiscal year, regardless of the funding source, may be required, at a minimum, to submit annual financial audits performed by an independent CPA if the Department's risk assessment determination indicates the Contractor is high-risk.

14.5. 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.

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Instructions: Fill out the Direct/Indirect columns only for both Contractor Share and Funded by DHHS. Everything else will automatically populate.

Bidder/Program Name:

Budget Request for: Medication Assisted Treatment
(name of RFP)

ACE

Budget Period: 6/1/2021-6/30/2021

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 28,000.00	$ -	$ 28,000.00	$ -	$ -	$ -	$ 28,000.00	$ -	$ 28,000.00
2. Employee Benefits	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ 4,000.00	$ -	$ 4,000.00	$ -	$ -	$ -	$ 4,000.00	$ -	$ 4,000.00
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Flex	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Respite Housing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Relocation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 33,000.00	$ -	$ 33,000.00	$ -	$ -	$ -	$ 33,000.00	$ -	$ 33,000.00

Indirect As A Percent of Direct: 0.0%

SOS
4/30/2021

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Instructions: Fill out the Direct/Indirect columns only for both Contractor Share and Funded by DHHS. Everything else will automatically populate.

Bidder/Program Name:

Budget Request for: Medication Assisted Treatment
(name of RFP)

SOR
Budget Period: 6/1/2021-6/30/2021

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 14,000.00	$ -	$ 14,000.00	$ -	$ -	$ -	$ 14,000.00	$ -	$ 14,000.00
2. Employee Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Flex	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Respite Housing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Naloxone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 14,000.00	$ -	$ 14,000.00	$ -	$ -	$ -	$ 14,000.00	$ -	$ 14,000.00
Indirect As A Percent of Direct		0.0%							

SOR
4/30/2021

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Instructions: Fill out the Direct/Indirect columns only, for, both Contractor Share and Funded by DHHS. Everything else will automatically populate.

Bidder/Program Name:

Budget Request for: Medication Assisted Treatment
(name of RFP)

SOR
Budget Period: 7/1/2021-6/29/2021

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 85,588.00	$ -	$ 85,588.00	$ 53,897.00	$ -	$ 53,897.00	$ 31,689.00	$ -	$ 31,689.00
2. Employee Benefits	$ 13,149.99	$ -	$ 13,149.99	$ 5,883.57	$ -	$ 5,883.57	$ 7,266.42	$ -	$ 7,266.42
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ 3,400.00	$ -	$ 3,400.00	$ 2,500.00	$ -	$ 2,500.00	$ 900.00	$ -	$ 900.00
6. Travel	$ 1,375.00	$ -	$ 1,375.00	$ 940.42	$ -	$ 940.42	$ 434.58	$ -	$ 434.58
7. Occupancy	$ 14,800.00	$ -	$ 14,800.00	$ 8,800.00	$ -	$ 8,800.00	$ 6,000.00	$ -	$ 6,000.00
8. Current Expenses	$ 750.00	$ -	$ 750.00	$ 750.00	$ -	$ 750.00	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ 1,500.00	$ -	$ 1,500.00	$ -	$ -	$ -	$ 1,500.00	$ -	$ 1,500.00
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rent	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -
Respite Housing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restrooms	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 120,370.99	$ -	$ 120,370.99	$ 72,370.99	$ -	$ 72,370.99	$ 48,000.00	$ -	$ 48,000.00
Indirect As A Percent of Direct		0.0%							

SOS
4/30/2021

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

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:

4/30/2021
Date

DocuSigned by:
Scott W Sloane
Name: Scott W Sloane
Title: Chief Financial Officer

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:

4/30/2021
Date

DocuSigned by:
Scott W Sloane
Name: Scott W Sloane
Title: Chief Financial Officer

DS
SWS
Vendor Initials
4/30/2021
Date

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

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

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

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

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

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

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

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

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

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

DS SWS

Contractor Initials _____
Date 4/30/2021

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

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

PRIMARY COVERED TRANSACTIONS

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

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

LOWER TIER COVERED TRANSACTIONS

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

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

Contractor Name:

4/30/2021
Date

DocuSigned by:
Scott W Sloane
2D0E515FB5CA42B...
Name: Scott W Sloane
Title: Chief Financial Officer

DS
SWS
Contractor Initials
4/30/2021
Date

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

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

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

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

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

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

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

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

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

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit G

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

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

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

Contractor Name:

DocuSigned by:
Scott W Sloane
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4/30/2021
Date

Name: Scott W Sloane
Title: Chief Financial Officer

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

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

Contractor Name:

DocuSigned by:
Scott W Sloane
4D9F912E00CA420...

4/30/2021
Date

Name: Scott W Sloane
Title: Chief Financial Officer

New Hampshire Department of Health and Human Services

Exhibit I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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

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

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

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

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

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

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

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

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

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

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

Contractor Initials SWS

Date 4/30/2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Obligations of Covered Entity

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

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

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

(5) Termination for Cause

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

(6) Miscellaneous

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

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

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

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

Contractor Initials SWS

Date 4/30/2021

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	Concord Hospital - Laconia
The State	Name of the Contractor
Katja Fox	Scott W Sloane
Signature of Authorized Representative	Signature of Authorized Representative
Katja Fox	Scott W Sloane
Name of Authorized Representative	Name of Authorized Representative
Director	Chief Financial Officer
Title of Authorized Representative	Title of Authorized Representative
4/30/2021	4/30/2021
Date	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:

4/30/2021
Date

DocuSigned by:
Scott W Sloane
Name: Scott W Sloane
Title: Chief Financial Officer

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: 07397739

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

   X NO _____ YES

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

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

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

   _____ NO _____ YES

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

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

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

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

Contractor Initials SWS (DS)
Date 4/30/2021

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

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

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

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

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

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

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

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

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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

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

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

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

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

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

B. Disposition

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

2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.

3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

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

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.

2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. The Contractor must ensure that all End Users:

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

    b. safeguard this information at all times.

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

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

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

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

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

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

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

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

V. LOSS REPORTING

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

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

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

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

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov