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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6503
603-271-4612 1-800-852-3345 Ext. 4612
Fax: 603-271-4827 TDD Access: 1-800-735-2964



Jeffrey A. Meyers
Commissioner

Marcella J. Bobinsky
Acting Director

April 25, 2016

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services to exercise renewal options and amend contracts with the four vendors listed below by increasing the Price Limitation by \$200,000 from \$100,000 to \$300,000 for Appledore Medical Group, Inc., and Frisbie Memorial Hospital, and by \$200,000 from \$200,000 to \$400,000 for the other two vendors, to provide necessary outpatient visits, labs, diagnostic tests, and outpatient procedures for clients enrolled in the New Hampshire Ryan White CARE Program, and to extend the completion dates from June 30, 2016 to June 30, 2018, effective upon Governor and Executive Council approval. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Vendor Agreements combined is \$100,000 per each State Fiscal Year. These agreements were originally approved by the Governor and Executive Council on November 4, 2015, Item #15, November 18, 2015, Item #12, May 6, 2015, Item #17, and May 27, 2015, Item #32. The source of funding is 100% Other Funds from the Pharmaceutical Rebates.

Vendor	Vendor #	Location
Appledore Medical Group, Inc.	177318-R006	Portsmouth, NH
Frisbie Memorial Hospital	177159-B002	Rochester, NH
Harbor Homes, Inc.	155358-B001	Nashua, NH
Mary Hitchcock Memorial Hospital d/b/a Dartmouth-Hitchcock Clinic	177160-B015	Lebanon, NH

Funds to support this request are available in the following account for State Fiscal Year 2017 and are anticipated to be available in State Fiscal Year 2018 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

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

SFY	Class / Account	Class Title	Job Number	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2015	530-500371	Drug Rebates	90024607	\$100,000	\$0.00	\$100,000
2016	530-500371	Drug Rebates	90024607	\$100,000	\$0.00	\$100,000
2017	530-500371	Drug Rebates	90024607	\$0.00	\$100,000	\$100,000
2018	530-500371	Drug Rebates	90024607	\$0.00	\$100,000	\$100,000
			Total	\$200,000	\$200,000	\$400,000

EXPLANATION

This requested action will ensure the continued provision of necessary outpatient visits, labs, diagnostic tests, and outpatient procedures to New Hampshire residents living with Human Immunodeficiency Virus (HIV) statewide, and who are enrolled in the New Hampshire Ryan White CARE Program. On May 6, 2015, the Governor and Executive Council originally approved the Department's request to establish a list of licensed medical providers with the ability to expand the list as other individuals and organizations became known. Federal law requires that the state have agreements in place for these services. This package includes four (4) of four (4) amendments to fulfill this need throughout the state. The licensed medical providers will provide these medical services to enrolled clients, on an individual, case-by-case, as needed basis. In the interest of efficiency, these contract amendments are being bundled as they are providing the same services, and the price limitation among all contractors is combined per each fiscal year.

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

These vendors were originally selected for this project through a Request for Application process.

As referenced in the original letters approved by Governor and Executive Council and in the Exhibits C-1, these Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council. The Division is exercising these renewal options.

These vendors have been actively involved with the satisfactory delivery of services to enrolled clients since the start date of their current agreements, and have agreed to continue to provide necessary outpatient visits, labs, diagnostic tests, and outpatient procedures to clients living with HIV/AIDS in stated geographic areas. The performance results of this federally mandated program are measured by the number of New Hampshire Ryan White CARE Program clients that actually receive medical services, and will be used to continue to measure the effectiveness of the agreements.

Should Governor and Executive Council not authorize this Request, the state would not be in compliance with federal regulations for this program. In addition, eligible New Hampshire residents living with HIV/AIDS with immediate medical needs may not receive prevention and treatment for necessary outpatient visits, labs, diagnostic tests, and outpatient procedures. The services in these amendments will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV/AIDS related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

The geographic area to be served is statewide.

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

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

Respectfully submitted,



Marcella J. Bobinsky, MPH
Acting Director

Approved by:


Jeffrey A. Meyers
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Outpatient Ambulatory Medical Care Providers Contract**

This first Amendment to the NH Ryan White CARE Program Outpatient Ambulatory Medical Care Providers Contract, (hereinafter referred to as "Amendment #1") dated this 4th day of February, 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Appledore Medical Group, Inc. (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at 330 Borthwick Ave, Suite 210, Portsmouth, NH 03801.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on November 4, 2015, Item #15, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, and Exhibit C-1 Paragraph 3, the State may renew the contract for two (2) additional years by written agreement of the parties and approval of the Governor and Executive Council; and;

WHEREAS the parties agree to increase the contract price limitation and extend the contract completion date 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 as follows:

To amend as follows:

1. Form P-37, General Provisions, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$300,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558



New Hampshire Department of Health and Human Services

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

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

4/26/14
Date

State of New Hampshire
Department of Health and Human Services

Marcella J. Bobinsky
Name: Marcella J. Bobinsky
Title: Acting Director

02/26/2016
Date

Appledore Medical Group, Inc.

[Signature]
Name: Benjamin
Title: VP, Operations

Acknowledgement:

State of Virginia, County of Westfield on February 26, 2016, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Trayce L. Pearman
Name and Title of Notary or Justice of the Peace

TRAYCE L. PEARMAN
NOTARY PUBLIC
Commonwealth of Virginia
Reg. #7261689
My Commission Expires Sept. 30, 2017

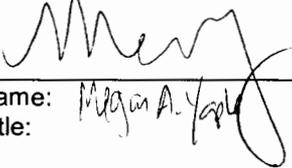
New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

5/14/16
Date


Name: Megan A. York
Title:

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Appledore Medical Group, Inc. a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on November 19, 2009. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 17th day of May, A.D. 2016

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

William M. Gardner
Secretary of State



Health Care Indemnity, Inc.

Health Care Indemnity, Inc.
P.O. Box 555
Nashville, TN 37202-0555
Phone: 615/344-5193
Fax: 855/775-0393
Email: corp.insurance@hcahealthcare.com

Certificate of Insurance

DATE: 1/1/2016

COI#: 31607

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

Department of Health & Human Services Contracts & Procurement Unit

129 Pleasant Street
Concord NH 3301

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

Named Insured: HCA HOLDINGS, INC. AND SUBSIDIARY ORGANIZATIONS
Address: EXISTING NOW OR HEREAFTER CREATED OR ACQUIRED
ONE PARK PLAZA
NASHVILLE, TN 37202-0550

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

POLICY NO.	POLICY PERIOD	
HCI-10116	Eff. 1-1-2016 Exp. 1-1-2017	
TYPE OF INSURANCE	LIMITS OF LIABILITY	
Comprehensive General Liability - Occurrence Form	\$1,000,000	Each and Every Occurrence
<ul style="list-style-type: none"> ● Bodily Injury ● Property Damage ● Products and Completed Operations ● Personal and Advertising Injury 	\$3,000,000	Aggregate
Health Care Professional Liability - Occurrence Form	\$1,000,000	Each and Every Occurrence
	\$3,000,000	Aggregate

SPECIAL CONDITIONS/OTHER
THE NAMED INSURED INCLUDES

Appledore Medical Group

COID 32907

With regards to the New Hampshire Ryan White CARE Program

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

Authorized Signature

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN
SERVICES



29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-3958 1-800-852-3345 Ext. 3958
Fax: 603-271-4934 TDD Access: 1-800-785-2964

Nicholas A. Toumpas
Commissioner

Marcella J. Bobinsky
Acting Director

APPROVED FIC
DATE _____
APPROVED G&C # 15
DATE 11/4/15
NOT APPROVED
September 1, 2015

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

REQUESTED ACTION

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

VENDOR	LOCATION
Appledore Medical Group, Inc.	Portsmouth, NH

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

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

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

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EXPLANATION

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

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

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

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

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

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

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

The geographic area to be served is statewide.

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

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

Respectfully submitted,



Marcella J. Bobinsky, MPH
Acting Director

Approved by:



Nicholas A. Toumpas
Commissioner

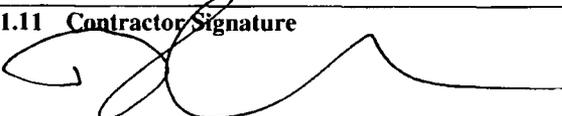
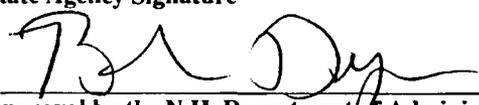
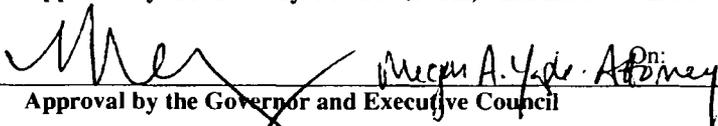
Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Appledore Medical Group, Inc.		1.4 Contractor Address 330 Borthwick Ave Suite 210 Portsmouth, NH 03801	
1.5 Contractor Phone Number 508-737-1715 <i>603-433-8733</i>	1.6 Account Number 05-95-90-902510-2229-530-500371	1.7 Completion Date June 30, 2016	1.8 Price Limitation \$100,000
1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief		1.10 State Agency Telephone Number 603-271-4483	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory <i>Benjamin Calkins</i> <i>VP of Operations</i>	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Rockingham</u> On <u>8/12/15</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] <i>Paula Marden</i>			
1.13.2 Name and Title of Notary or Justice of the Peace <i>Paula Marden, Notary Public</i>		PAULA H. MARDEN, Notary Public My Commission Expires February 22, 2017	
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  <i>Megan A. York, Attorney</i> On: <i>10/14/15</i>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials: FC
Date: 8/10/15

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

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

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



Exhibit A

Scope of Services

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

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

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide outpatient visits, labs, tests and procedures to NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed and the contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.3. The Contractor shall invoice the NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program; services shall be reimbursed at NH Medicaid rates.
- 2.4. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.5. The Contractor shall provide client level data via CAREWare (OR a bridge to CAREWare from a compatible electronic medical record) to the NH CARE Program for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.6. The Contractor shall maximize billing to NH Medicaid and private insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for clients.
- 2.7. The Contractor shall participate in periodic monitoring calls with the contract monitor. The contract monitor shall be the primary point of contact for all NH CARE Program questions.



Exhibit A

3. Licensing Requirements:

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

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

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

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

6. Entire Agreement:

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



Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual outpatient Ambulatory medical care services provided by the contractor to enrolled NH CARE Program clients. Services will be reimbursed at NH Medicaid rates.
2. Price Limitation: This Agreement is one of multiple Agreements that will serve the NH CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contactor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Outpatient Ambulatory Medical Care Services is 100% federal funds from the Pharmaceutical Rebates.
5. Contract medical provider shall complete and submit an outpatient visit, laboratory test, or diagnostic test Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their outpatient services related to Department of Health and Human Services funded programs and services.
7. Outpatient ambulatory medical care providers are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Medical provider's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.



SPECIAL PROVISIONS

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

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



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

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

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



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

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



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

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

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

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

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



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

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

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

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. Extension:

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR 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.

Contractor Name: Appledore Medical Group, Inc.

8/12/15
Date


Name: Ben Collins
Title: Division Vice President



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

Contractor Name: Appledore Medical Group, Inc.

8/12/15
Date


Name: Ben Callens
Title: Domain Vice President



**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



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: Appledore Medical Group, Inc.

8/12/15
Date


Name: Ben Callanis
Title: Division Vice President



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

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

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

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

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

Exhibit G

Contractor Initials DC

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

New Hampshire Department of Health and Human Services
Exhibit G



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

The 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 Appledore Medical Group, Inc.

8/12/15
Date

Name: Ben Collins
Title: Division Vice President

Exhibit G

Contractor Initials BC

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

Date 8/12/15



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: Appledore Medical Group, Inc.

8/12/15
Date


Name: Ben Callanis
Title: Division Vice President



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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



**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.

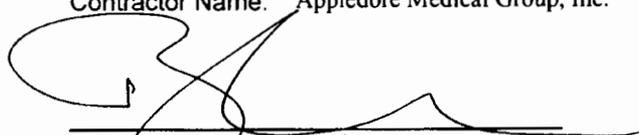
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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: Appledore Medical Group, Inc.

8/12/15
Date


Name: Ben Callegre
Title: Division Vice President



FORM A

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

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

_____ 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: _____



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Outpatient Ambulatory Medical Care Providers Contract**

This first Amendment to the NH Ryan White CARE Program Outpatient Ambulatory Medical Care Providers Contract, (hereinafter referred to as "Amendment #1") dated this 5th day of February, 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Frisbie Memorial Hospital (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at 21 Whitehall Road, Suite 200, Rochester, NH 03867.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on November 18, 2015, Item #12, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, and Exhibit C-1 Paragraph 3, the State may renew the contract for two (2) additional years by written agreement of the parties and approval of the Governor and Executive Council; and

WHEREAS the parties agree to increase the contract price limitation and extend the contract completion date 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 as follows:

To amend as follows:

1. Form P-37, General Provisions, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$300,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558



New Hampshire Department of Health and Human Services

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

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

Date 4/24/16

State of New Hampshire
Department of Health and Human Services

Marcella J. Bobinsky
Name: Marcella J. Bobinsky
Title: Acting Director

Date 4/21/16

Frisbie Memorial Hospital

John A. Marszalek
Name: JOHN A. MARZALEK
Title: President/CEO

Acknowledgement:

State of New Hampshire County of Strafford on 4/21/2016, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Janet E. Lafreniere
Name and Title of Notary or Justice of the Peace



New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

Date 5/16/14


Name: Megan A. Kelly
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____

State of New Hampshire Department of State

CERTIFICATE

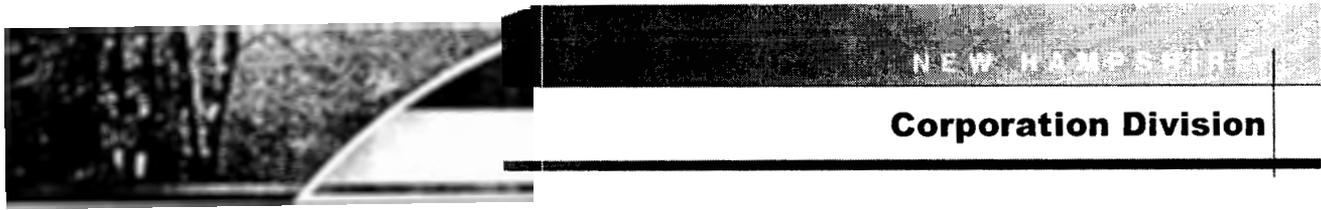
I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FRISBIE MEMORIAL HOSPITAL is a New Hampshire nonprofit corporation formed March 28, 1919. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 22nd day of April, A.D. 2015

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

William M. Gardner
Secretary of State



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

Date: 4/25/2016 **Filed Documents**
 (Annual Report History, View Images, etc.)

Business Name History

Name	Name Type
FRISBIE MEMORIAL HOSPITAL	Legal
ROCHESTER HOSPITAL	Prev Legal

Non-Profit Corporation - Domestic - Information

Business ID: 67838
Status: Good Standing
Entity Creation Date: 3/28/1919
Principal Office Address: 11 WHITEHALL ROAD
 ROCHESTER NH 03867
Principal Mailing Address: No Address
Expiration Date: Perpetual
Last Annual Report Filed Date: 1/19/2016 8:00:00 AM
Last Annual Report Filed: 2015

Registered Agent

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

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



CERTIFICATE OF VOTE
(Corporation without Seal)

I, RON Poulin, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of Fnsbie Memorial Hospital
(Corporation Name)

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on Nov 7, 2014:
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, , for the provision of

healthcare services.

RESOLVED: That the President/CEO - John Marzinzik
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 21st day of April, 2016.
(Date Contract Signed)

4. John Marzinzik is the duly elected
President/CEO of Fnsbie Memorial Hospital
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Ronald Poulin
(Signature of Clerk of the Corporation)

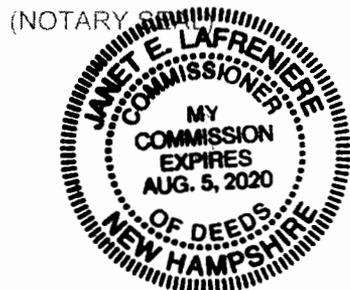
STATE OF NEW HAMPSHIRE

County of Stafford

The forgoing instrument was acknowledged before me this 21st day of April, 2016.

By RON Poulin
(Name of Clerk of the Corporation)

Janet E. Lafreniere
(Notary Public/Justice of the Peace)
Commission Expires: 8-5-20





Frisbie Memorial Hospital
It's about People. Technology. Trust.
FMH MISSION STATEMENT

[Back](#)

FRISBIE MEMORIAL HOSPITAL

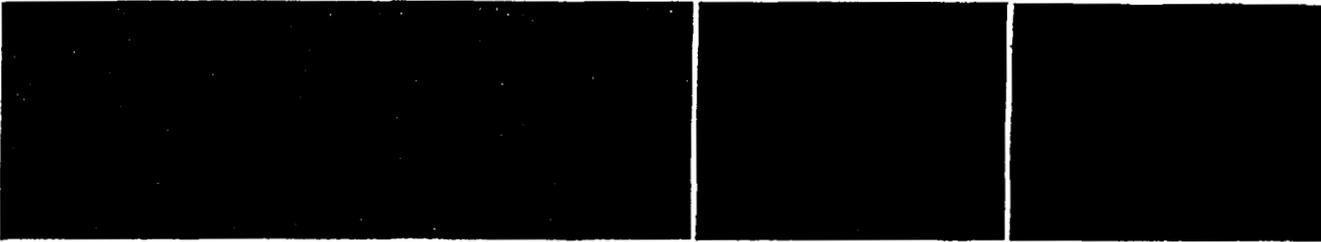
Mission Statement

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

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

Reaffirmed: 5/31/01

Reaffirmed: 7/26/03



FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013

and

SUPPLEMENTARY CONSOLIDATING INFORMATION

September 30, 2014

With Independent Auditor's Report





INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

The Board of Trustees
Frisbie Memorial Hospital and Subsidiaries

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating information (schedules 1 and 2) is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Berry Dawn McNeil & Parker, LLC

Portland, Maine
January 12, 2015

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2014 and 2013

ASSETS

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

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

LIABILITIES AND NET ASSETS

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Operations

Years Ended September 30, 2014 and 2013

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2014 and 2013

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended September 30, 2014 and 2013

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

Noncash transactions:

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

1. Organization

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

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

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

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

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

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

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

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

2. Summary of Significant Accounting Policies

Use of Estimates

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

Cash and Cash Equivalents

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

Investments

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

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

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

Patient Accounts Receivable

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

Inventories

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

Property and Equipment

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

Impairment of Long-Lived Assets

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

Cost of Borrowings

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

Interest Rate Swaps

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

Assets Whose Use is Limited or Restricted

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

Temporarily and Permanently Restricted Net Assets

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

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

Donor-Restricted Gifts

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

Net Patient Service Revenue

The Organization has entered into payment agreements with third-party payors that provide payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, discounts from established charges, cost (subject to limits), and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Variances between preliminary estimates of net patient service revenue and final third-party settlements are included in net patient service revenue in the year in which the settlement or change in estimate occurs.

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

The consolidated statements of operations include excess (deficiency) of revenue and gains over expenses and losses. Changes in unrestricted net assets which are excluded from this measure, consistent with industry practice, include temporary unrealized gains and unrealized losses on investments, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Charity Care

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

Income Taxes

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

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

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

Subsequent Events

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

Reclassifications

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

3. Net Patient Service Revenue and Patient Accounts Receivable

Net Patient Service Revenue

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

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

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

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

Patient Accounts Receivable

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

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

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

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

Medicaid - Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Organization's Medicaid cost reports have been audited and settled by the Medicaid fiscal intermediary through September 30, 2011.

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

Revenue from the Medicare and Medicaid programs accounted for approximately 31% and 28%, respectively, of the Organization's net patient service revenue for the years ended September 30, 2014 and 2013, respectively. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased approximately \$416,600 and \$29,000 in 2014 and 2013, respectively, as a result of differences in retroactive adjustments compared with amounts previously estimated.

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

4. Charity Care

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

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

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

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

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

5. Investments

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

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

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

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

6. Investments in Affiliates

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

7. Property and Equipment

Property and equipment consisted of the following at September 30:

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

8. Debt

Long-Term Debt

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

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

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

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

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

Line of Credit

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

9. Temporarily and Permanently Restricted Net Assets

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

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

10. Fair Value Measurements

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

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

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

11. Cash Flow Information

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

12. Retirement Plans

403(b)

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

457(f)

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

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

13. Commitments and Contingencies

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

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

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

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

14. Concentration of Credit Risk

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

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

15. Self-Insurance Plans

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

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

FRISBIE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2014 and 2013

16. Functional Expenses

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

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

17. Meaningful Use Revenues

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

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

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

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

18. Medicaid Enhancement Tax

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

FRISBIE MEMORIAL HOSPITAL
Trustees and Corporators
2015

OFFICERS

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

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

Trustees

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

Non-Trustee Corporators

Gagnon, Donald

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

IRENE P. RUPP HODGE

EDUCATION

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

POSTDOCTORAL TRAINING

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

EMPLOYMENT

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

CERTIFICATION

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

RESEARCH

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

PUBLICATIONS

Palmore TN, Shea, YR, Conville, PS, Witebsky, FG, Anderson, VL, Rupp Hodge, IP and Holland, SM. "Mycobacterium tuberculosis", A Newly Described, Uncultivated Opportunistic Pathogen. *Journal of Clinical Microbiology* 2009;47(5):1585-7.

Williams, J.C., Schned, A.R., Richardson, J.R., Heaney, J.A., Curtis, M.R., Rupp, I.P. and von Reyn, C.F. Fatal Genitourinary Mucormycosis. *Clinical Infectious Diseases* 1995;21(3):682-4.

Asselin, Barbara L., Whitin, John C., Coppola, David J., Rupp, Irene P., Sallen, Stephen E. and Cohen, Harvey J. Comparative Pharmacokinetic Studies of Three Asparaginase Preparations. *Journal of Clinical Oncology* 1993;11(9):1780-6.

van Duin, M., van den Tol, J., Hoeijmakers, J.H.J., Bootsma, D., Rupp, I.P., Reynolds, P., Prakash, L. and Prakash, S. Conserved Pattern of Antisense Overlapping Transcription in the Homologous Human ERCC-1 and Yeast RAD 10 DNA Repair Gene Regions. *Molecular and Cellular Biology* 1989;9:1794-8.

FRISBIE MEMORIAL HOSPITAL

Key Personnel

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



Nicholas A. Toumpas
Commissioner

Marcella J. Bobinsky
Acting Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN
SERVICES

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

4V 12

NH DIVISION OF
Public Health Services
improving health, preventing disease, reducing costs for all

APPROVED FIC
DATE _____
APPROVED G&C # 11/18/15
DATE # 12
NOT APPROVED _____

October 13, 2015

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

REQUESTED ACTION

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

VENDOR	LOCATION
Frisbie Memorial Hospital	Rochester, NH

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

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

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

EXPLANATION

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

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

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

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

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

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

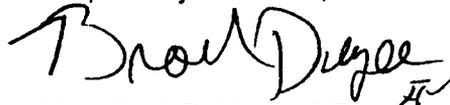
The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive outpatient services.

The geographic area to be served is statewide.

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

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

Respectfully submitted,



Marcella J. Bobinsky, MPH
Acting Director

Approved by:



Nicholas A. Toumpas
Commissioner

Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Frisbie Memorial Hospital		1.4 Contractor Address 21 Whitehall Road Suite 200 Rochester, NH 03867	
1.5 Contractor Phone Number 603-335-8866	1.6 Account Number 05-95-90-902510-2229-530-500371	1.7 Completion Date June 30, 2016	1.8 Price Limitation \$100,000
1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief		1.10 State Agency Telephone Number 603-271-4483	
1.11 Contractor Signature <i>John A Marzinzik</i>		1.12 Name and Title of Contractor Signatory John Marzinzik, President/CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Stroop</u> On <u>9/24/15</u> the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 My Commission as Notary Public or Justice of the Peace EXPIRES AUG. 26, 2020 <i>Pamela B. Luce</i> [Seal]			
1.13.2 My Commission as Notary Public or Justice of the Peace <i>PAMELA B. LUCE</i>			
1.14 State Agency Signature <i>Brook Dupee</i>		1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: <i>[Signature]</i> Director, On:			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <i>[Signature]</i> <u>Megan A. York-Attorney</u> On: <u>11/2/15</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

[Handwritten Signature]
9/21/15

8. EVENT OF DEFAULT/REMEDIES.

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials: _____
Date: _____

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

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

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials: _____
Date: _____

Handwritten signature and date: 7/27/2011



Exhibit A

Scope of Services

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

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

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide outpatient visits, labs, tests and procedures to NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed and the contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.3. The Contractor shall invoice the NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program; services shall be reimbursed at NH Medicaid rates.
- 2.4. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.5. The Contractor shall provide client level data in a secure, electronic format as specified by the NH CARE Program or via CAREWare for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.6. The Contractor shall maximize billing to NH Medicaid and private insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for clients.
- 2.7. The Contractor shall participate in periodic monitoring calls with the contract monitor. The contract monitor shall be the primary point of contact for all NH CARE Program questions.

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Exhibit A

3. Licensing Requirements:

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

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

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

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

6. Entire Agreement:

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

A handwritten signature in black ink, appearing to be "J. M.", written over a horizontal line.



Exhibit B

Method and Conditions Precedent to Payment

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

[Handwritten Signature]
8/19/15



SPECIAL PROVISIONS

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

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

Handwritten signature and date: 7/19/15



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

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

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

[Handwritten Signature]
Date 8/19/15



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

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

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Date 5/19/15



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

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

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

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

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

[Handwritten Signature]
Date 6/19/14



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

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

[Handwritten Signature]
8/19/15



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

- 1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 - 4. **CONDITIONAL NATURE OF AGREEMENT.**
 Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

- 2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

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


 Frisbie Memorial Hospital


 Date





Exhibit C-1

- 3. Extension:
This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

- 4. Insurance:
Subparagraph 14.1.1 of the General Provisions of this contract is deleted and the following subparagraph is added:
 - 14.1.1 Comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and umbrella liability coverage in the amount of \$10,000,000 per occurrence.

[Handwritten signature]

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

Contractor Name: Frisbie Memorial Hospital

8/19/15
Date

John Marzinzik
Name: John Marzinzik
Title: President/CEO

JM
8/19/15



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

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

Contractor Name: Frisbie Memorial Hospital

8/19/15
Date

John Marzinzik
Name: John Marzinzik
Title: President/CEO



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

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

INSTRUCTIONS FOR CERTIFICATION

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

[Handwritten Signature]
Date: 8/19/15



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Frisbie Memorial Hospital

8/19/15
Date

John Marzinzik
Name: John Marzinzik
Title: President/CEO



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

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

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

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

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

Exhibit G

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

Contractor Initials

Date


Date 8/19/15

New Hampshire Department of Health and Human Services
Exhibit G



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

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

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

Contractor Name: Frisbie Memorial Hospital

8/19/15
Date

John Marzinzik
Name: John Marzinzik
Title: President/CEO

Exhibit G

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

Contractor Initials

8/19/15
JM
Date



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Frisbie Memorial Hospital

8/19/15
Date

John Marzinzik
Name: John Marzinzik
Title: President/CEO

Contractor Initials: JM
Date: 8/19/15



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

JMM

8/19/15



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

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

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

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

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

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

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

Contractor Name: Frisbie Memorial Hospital

8/19/15
Date

John Marzinzik
Name: John Marzinzik
Title: President/CEO

John Marzinzik
8/19/15



FORM A

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

1. The DUNS number for your entity is: 07-399-2237
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

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

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

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

NO YES

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: _____

[Handwritten Signature]
Date: 8/19/05



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Outpatient Ambulatory Medical Care Providers Contract**

This first Amendment to the NH Ryan White CARE Program Outpatient Ambulatory Medical Care Providers Contract, (hereinafter referred to as "Amendment #1") dated this 9th day of February, 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Harbor Homes, Inc. (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at 45 High Street, Nashua, NH 03060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on May 6, 2015, Item #17, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, and Exhibit C-1 Paragraph 3, the State may renew the contract for two (2) additional years by written agreement of the parties and approval of the Governor and Executive Council; and;

WHEREAS the parties agree to increase the contract price limitation and extend the contract completion date 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 as follows:

To amend as follows:

1. Form P-37, General Provisions, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$400,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558
5. Delete Exhibit C, Special Provisions, and replace with Exhibit C Amendment #1, Special Provisions.
6. Delete Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance, and replace with Exhibit G – Amendment #1, Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections.



New Hampshire Department of Health and Human Services

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,

Date 4/26/17

State of New Hampshire
Department of Health and Human Services
Marcella J. Bobinaty
Name: Marcella J. Bobinaty
Title: Acting Director

Date 2/12/16

Harbor Homes, Inc.
Peter Kelleher
Name: Peter Kelleher
Title: President and CEO

Acknowledgement:

State of New Hampshire, County of Hillsborough on February 12th, 2016, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Wendy Nichols
Name and Title of Notary or Justice of the Peace



New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

Date 5/16/14

Name: [Signature]
Title: Megan A. Joseph
Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____



SPECIAL PROVISIONS

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

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



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

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

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

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



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

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

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

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

16. **Equal Employment Opportunity Plan (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



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

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

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

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

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



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

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



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

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

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

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

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

Exhibit G- Amendment #1

Contractor Initials

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

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



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

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

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

2/12/16
Date

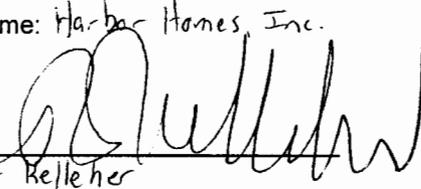
Contractor Name: Harbor Homes, Inc.

Name: Peter Kelleher
Title: President and CEO

Exhibit G- Amendment #1

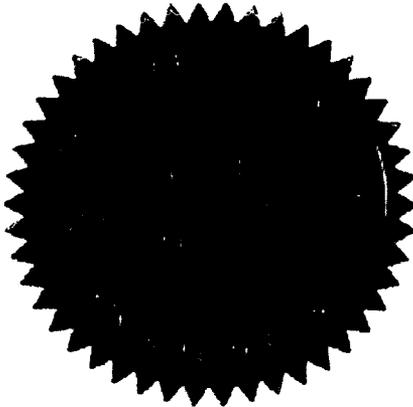
Contractor Initials PK

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

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 HARBOR HOMES, INC. is a New Hampshire nonprofit corporation formed February 15, 1980. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 14th day of April A.D. 2016

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Laurie Gooven, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Harbor Homes, Inc.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 2/12/16:
(Date)

RESOLVED: That the President and CEO
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 12th day of February, 2016.
(Date Contract Signed)

4. Peter Kelleher is the duly elected President and CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Laurie Gooven
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 12th day of February, 2016.

By Laurie Gooven
(Name of Elected Officer of the Agency)

Wendy Nichols
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 6/4/19





ADDITIONAL REMARKS SCHEDULE

AGENCY Eaton & Berube Insurance Agency, Inc.		NAMED INSURED Harbor Homes, Inc 45 High Street Greater Nashua Council on Alcoholism, Inc. Nashua NH 03060	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

Southern New Hampshire HIV/AIDS Task Force -FID# 020447280
 Welcoming Light, Inc. -FID# 020481648
 HH Ownership, Inc.
 Greater Nashua Council on Alcoholism dba Keystone Hall -FID# 222558859

Mission Statements

Harbor Homes, Inc.:

The mission of Harbor Homes, Inc. is to create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.

Welcoming Light Inc.:

To provide residential and support services to elderly and disabled individuals in a manner that is compassionate, flexible, and emphasizes independence

Milford Regional Counseling Services, Inc.:

To provide affordable counseling services to individuals and families

Greater Nashua Council on Alcoholism, Inc.

"To empower the chemically dependent person to take responsibility toward recovery through professional counseling in a caring environment"

Healthy at Home, Inc.:

To enhance the lives of people with illness or injury through a cooperative relationship with the community, professional medical service providers, and organizations that serve people in need of healthcare

HARBOR HOMES, INC.
Financial Statements
For the Year Ended June 30, 2015
(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

Additional Offices:
Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Homes, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

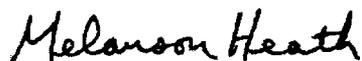
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc. as of June 30, 2015, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Harbor Homes, Inc.'s fiscal year 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015 on our consideration of the Harbor Homes, Inc.'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. The purpose of that report is 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 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 Harbor Homes Inc.'s internal control over financial reporting and compliance.



December 10, 2015

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2015

(With Comparative Totals as of June 30, 2014)

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and cash equivalents	\$ 191,326	\$ 170,394
Investments	10,299	-
Accounts receivable, net	1,020,434	1,009,099
Patient services receivable, net	290,292	428,886
Promises to give	-	50,000
Due from related organizations	90,703	24,522
Prepaid expenses	<u>66,069</u>	<u>28,575</u>
Total Current Assets	1,669,123	1,711,476
Noncurrent Assets:		
Property and Equipment, net of accumulated depreciation	20,069,439	19,999,007
Restricted deposits and funded reserves	346,027	320,291
Due from related organizations	318,935	352,502
Beneficial interest	149,503	148,204
Deferred compensation plan	<u>91,937</u>	<u>40,936</u>
Total Noncurrent Assets	<u>20,975,841</u>	<u>20,860,940</u>
Total Assets	<u>\$ 22,644,964</u>	<u>\$ 22,572,416</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 448,625	\$ 600,049
Accrued expenses	720,016	704,676
Due to related organizations	109,364	160,868
Line of credit	733,319	400,888
Deferred revenue	2,259	2,333
Current portion of capital leases payable	43,128	-
Current portion of mortgages payable	<u>201,707</u>	<u>198,801</u>
Total Current Liabilities	2,258,416	2,067,595
Long Term Liabilities:		
Security deposits	42,494	41,529
Deferred compensation plan	91,937	40,936
Other liabilities	-	13,783
Capital leases payable, net of current portion	61,431	-
Mortgages payable, tax credits	121,367	142,410
Mortgages payable, net of current portion	7,181,180	7,383,828
Mortgages payable, deferred	<u>5,332,834</u>	<u>5,332,834</u>
Total Long Term Liabilities	<u>12,841,243</u>	<u>12,955,320</u>
Total Liabilities	15,099,659	15,022,915
Unrestricted Net Assets	7,498,125	7,499,959
Temporarily Restricted Net Assets	<u>47,180</u>	<u>49,542</u>
Total Net Assets	<u>7,545,305</u>	<u>7,549,501</u>
Total Liabilities and Net Assets	<u>\$ 22,644,964</u>	<u>\$ 22,572,416</u>

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>2015 Total</u>	<u>2014 Total</u>
<u>Public Support and Revenue:</u>				
Public Support:				
Federal grants	\$ 3,343,768	\$ -	\$ 3,343,768	\$ 6,117,734
State, local, and other grants	2,354,114	-	2,354,114	1,718,713
Contributions	397,840	47,050	444,890	273,062
Fundraising events	1,522	-	1,522	52,519
Net assets released from restriction	<u>49,412</u>	<u>(49,412)</u>	<u>-</u>	<u>-</u>
Total Public Support	6,146,656	(2,362)	6,144,294	8,162,028
Revenue:				
Department of Housing and Urban Development	2,872,237	-	2,872,237	2,781,626
Veterans Administrative grants	2,464,140	-	2,464,140	2,226,141
Contracted services	1,008,778	-	1,008,778	1,254,522
Patient service revenues, net (see Note 23)	893,197	-	893,197	227,575
Medicaid - Federal and State, net	820,177	-	820,177	789,603
Rent and service charges, net	438,744	-	438,744	655,416
Other fees and miscellaneous	212,486	-	212,486	279,258
Other patient revenues	144,598	-	144,598	91,975
Outside rent	110,841	-	110,841	95,816
Management fees	35,478	-	35,478	32,796
Interest	1,393	-	1,393	164
Unrealized gain/(loss)	1,315	-	1,315	20,185
Gain (loss) on disposal of fixed assets	<u>332,618</u>	<u>-</u>	<u>332,618</u>	<u>601,751</u>
Total Revenue	<u>9,336,002</u>	<u>-</u>	<u>9,336,002</u>	<u>9,056,828</u>
Total Public Support and Revenue	15,482,658	(2,362)	15,480,296	17,218,856
<u>Expenses:</u>				
Program	13,331,133	-	13,331,133	10,852,114
Administration	1,772,573	-	1,772,573	1,817,339
Fundraising	<u>380,786</u>	<u>-</u>	<u>380,786</u>	<u>481,768</u>
Total Expenses	<u>15,484,492</u>	<u>-</u>	<u>15,484,492</u>	<u>13,151,221</u>
Change in net assets	(1,834)	(2,362)	(4,196)	4,067,635
Net Assets, Beginning of Year	<u>7,499,959</u>	<u>49,542</u>	<u>7,549,501</u>	<u>3,481,866</u>
Net Assets, End of Year	<u>\$ 7,498,125</u>	<u>\$ 47,180</u>	<u>\$ 7,545,305</u>	<u>\$ 7,549,501</u>

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

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2015 Total</u>	<u>2014 Total</u>
Expenses:					
Accounting fees	\$ -	\$ 45,104	\$ -	\$ 45,104	\$ 49,400
Advertising and promotion	2,902	2,950	69	5,921	30,423
Client expenses	237,585	-	-	237,585	145,130
Conferences, conventions, and meetings	25,280	286	73	25,639	37,062
Contract labor	287,605	1,984	-	289,589	261,832
Employee benefits	740,651	265,521	48,032	1,054,204	838,648
Grants	257,722	-	-	257,722	295,416
Information technology	96,497	51,917	-	148,414	94,220
Insurance	83,672	15,389	1,346	100,407	94,021
Interest	413,629	43,126	1,098	457,853	419,945
Legal fees	5,195	20,157	325	25,677	47,942
Management fees	10,518	-	-	10,518	8,984
Occupancy	4,373,241	69,750	4,031	4,447,022	3,593,603
Office expenses	154,483	50,221	2,293	206,997	181,493
Operational supplies	137,619	566	468	138,653	99,313
Other expenses	20,321	36,234	19,128	75,683	75,445
Payroll taxes	399,451	68,887	23,027	491,165	482,708
Professional fees	225,431	52,621	2,928	280,980	237,612
Salaries and wages	4,868,552	900,109	272,338	6,040,999	5,320,645
Security deposits	139,407	900	-	140,307	117,348
Staff development and expenses	43,049	43,670	49	86,768	23,287
Travel	47,703	2,083	374	50,160	60,948
Total Expenses Before Depreciation	<u>12,570,513</u>	<u>1,671,275</u>	<u>375,579</u>	<u>14,617,367</u>	<u>12,515,405</u>
Depreciation and amortization	<u>760,620</u>	<u>101,298</u>	<u>5,207</u>	<u>867,125</u>	<u>635,816</u>
Total Functional Expenses	<u>\$ 13,331,133</u>	<u>\$ 1,772,573</u>	<u>\$ 380,786</u>	<u>\$ 15,484,492</u>	<u>\$ 13,151,221</u>

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

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (4,196)	\$ 4,067,635
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	867,125	635,816
(Gain) loss on disposal of fixed assets	(332,618)	(601,751)
(Gain) on beneficial interest	(1,299)	(19,967)
(Increase) Decrease In:		
Accounts receivable	(11,333)	(742,710)
Patient services receivable	138,594	-
Promises to give	50,000	50,000
Prepaid expenses	(37,494)	(1,372)
Increase (Decrease) In:		
Accounts payable	(151,424)	355,331
Accrued expenses	15,340	207,140
Deferred revenue	(74)	(61,324)
Other liabilities	(13,783)	9,535
Net Cash Provided by Operating Activities	<u>518,838</u>	<u>3,898,333</u>
Cash Flows From Investing Activities:		
Restricted deposits and funded reserves	(25,736)	(120,585)
Security deposits	965	4,107
Proceeds from sale of fixed assets	395,370	866,502
Purchase of fixed assets	(868,311)	(4,043,454)
Purchase of investments	(10,299)	-
Net Cash Used by Investing Activities	<u>(508,011)</u>	<u>(3,293,430)</u>
Cash Flows From Financing Activities:		
Borrowings from line of credit	1,564,496	-
Payments on line of credit	(1,232,045)	(407,000)
Payments on long term borrowings	(238,228)	(407,900)
Net change in due to/from related organizations	(84,118)	(60,131)
Net Cash Provided by (Used for) Financing Activities	<u>10,105</u>	<u>(875,031)</u>
Net Increase (Decrease)	20,932	(270,128)
Cash and Cash Equivalents, Beginning of Year	<u>170,394</u>	<u>440,522</u>
Cash and Cash Equivalents, End of Year	<u>\$ 191,326</u>	<u>\$ 170,394</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 457,717</u>	<u>\$ 429,621</u>
Non-cash financing activities	<u>\$ 132,000</u>	<u>\$ 518,515</u>

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

HARBOR HOMES, INC.

Notes to the Financial Statements

1. **Organization:**

Harbor Homes, Inc. (the Organization) is a nonprofit organization that creates and provides quality residential and supportive services for persons (and their families) challenged by mental illness and/or homelessness in the State of New Hampshire. Programs include mainstream housing, permanent housing, transitional housing, and emergency shelter, as well as comprehensive support services that include peer support programs, job training, a paid employment program, and social and educational activities.

In addition to housing and supportive services, the Organization runs a health care clinic that is a Federally Qualified Health Center (FQHC) offering primary medical services to the homeless and/or low-income individuals.

2. **Summary of Significant Accounting Policies:**

The following is a summary of significant accounting policies of the Organization used in preparing and presenting the accompanying financial statements.

Accounting for Contributions and Financial Statement Presentation

The Organization follows *Accounting for Contributions Received and Contributions Made* and *Financial Statements of Not-for-Profit Organizations* as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under these guidelines, the Organization is required to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services, meeting certain criteria at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a Statement of Financial Position, a Statement of Activities, a Statement of Functional Expenses, and a Statement of Cash Flows.

Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred, without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC *Accounting for Contributions Received and Contributions Made*.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Allowance for Doubtful Accounts

The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Organization's management and adjusted as required through the provision for doubtful accounts (bad debt expense). In determining the amount required in the allowance, management has taken into account a variety of factors.

Patient Services Receivable, Net

Patient services receivable result from the health care services provided by the Organization's federally qualified health care center. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other indicators.

For receivables associated with services provided to patients who have third-party coverage, which includes patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the

Organization analyzes contractually due amounts and provides an allowance for doubtful collections and a provision for doubtful collections, if necessary. For receivables associated with self-pay patients, the Organization records a significant provision for doubtful collections in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collections efforts have been exhausted is charged off against the allowance for doubtful collections. The Organization has not changed its financial assistance policy in 2015. The Organization does not maintain a material allowance for doubtful collections from third-party payors, nor did it have significant write-offs from third-party payors.

Property and Equipment

Property and equipment is recorded at cost or, if donated, at estimated fair market value at the date of donation. Major additions and improvements are capitalized, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Assets not in service are not depreciated.

Patient Service Revenues, Net

Patient service revenues, net is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services, net. Reimbursement rates are subject to revisions under the provisions of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred. Included in third-party receivables are the outstanding uncompensated care pool payments.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see Note 23).

Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Accordingly, actual amounts could differ from those estimates.

Tax Status

Harbor Homes, Inc. is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. FASB ASC 740-10 did not have a material impact on the Organization's financial statements.

The Organization's Federal Form 990 (Return of Organization Exempt From Income Tax) is subject to examination by the IRS, generally for three years after they were filed.

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2015, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

3. Concentration of Credit Risk - Cash and Cash Equivalents:

The carrying amount of the Organization's deposits with financial institutions was \$547,652 at June 30, 2015. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at June 30, 2015. The bank balance is categorized as follows:

Insured by FDIC	\$ 445,879
Insured by SIPC	69,994
Uninsured and uncollateralized	<u>52,583</u>
Total Bank Balance	\$ <u>568,456</u>

4. Investments:

The Organization's investments are reported on the basis of quoted market prices and consist of the following at June 30, 2015:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain or (Loss) To Date</u>
Stocks	\$ <u>10,299</u>	\$ <u>10,299</u>	\$ <u>-</u>
Total	\$ <u>10,299</u>	\$ <u>10,299</u>	\$ <u>-</u>

5. Receivables, Net:

Accounts receivable at June 30, 2015 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Grants	\$ 867,631	\$ -	\$ 867,631
Medicaid	71,825	-	71,825
Other	51,590	-	51,590
Residents	84,245	(59,903)	24,342
Security deposits	<u>5,046</u>	<u>-</u>	<u>5,046</u>
Total	\$ <u>1,080,337</u>	\$ <u>(59,903)</u>	\$ <u>1,020,434</u>

Patient accounts receivable, related to the Organization's federally qualified health care center, consisted of the following at June 30, 2015:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Medicaid	\$ 191,715	\$ -	\$ 191,715
Medicare	39,250	-	39,250
Other	<u>329,274</u>	<u>(269,947)</u>	<u>59,327</u>
Total	<u>\$ 560,239</u>	<u>\$ (269,947)</u>	<u>\$ 290,292</u>

6. Due To/From Related Organizations:

Due to/from related organizations represents amounts due to and from Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors (See Note 19). These balances exist because certain receipts and disbursements of the related organizations flow through the Harbor Homes, Inc. main operating cash account. The related organizations and their balances at June 30, 2015 are as follows:

	<u>Due From</u>	<u>Due to</u>
Current:		
Healthy at Home	\$ -	\$ 99,125
Southern NH HIV/AIDS Task Force	-	10,239
Greater Nashua Council on Alcoholism	56,975	-
HH Ownership, Inc.	17,495	-
Harbor Homes III, Inc.	<u>16,233</u>	<u>-</u>
Subtotal current	90,703	109,364
Noncurrent:		
Milford Regional Counseling Services, Inc.	50,033	-
Harbor Homes II, Inc.	121,150	-
Welcoming Light, Inc.	<u>147,752</u>	<u>-</u>
Subtotal noncurrent	<u>318,935</u>	<u>-</u>
Total	<u>\$ 409,638</u>	<u>\$ 109,364</u>

Although management believes the above receivables to be collectible, there is significant risk that the noncurrent portion may not be.

7. Prepaid Expenses:

Prepaid expenses consist of the following items:

Prepaid HRA	\$ 38,543
Prepaid software maintenance	26,000
Prepaid other	<u>1,526</u>
Total	\$ <u>66,069</u>

8. Property, Equipment and Depreciation:

A summary of the major components of property and equipment is presented below:

Land	\$ 1,747,190
Land improvements	12,290
Buildings	16,130,760
Building improvements	5,983,486
Software	410,041
Vehicles	211,878
Furniture and fixtures	148,622
Equipment	372,116
Dental equipment	141,716
Medical equipment	<u>58,022</u>
Subtotal	25,216,121
Less: accumulated depreciation	<u>(5,146,682)</u>
Total	\$ <u>20,069,439</u>

Depreciation expense for the year ended June 30, 2015 totaled \$867,125.

The estimated useful lives of the depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	15
Buildings and improvements	10 - 40
Software	3
Vehicles	3
Furniture and fixtures	5 - 7
Equipment and medical equipment	5 - 7

9. Restricted Deposits and Funded Reserves:

Restricted deposits and funded reserves consist of escrow accounts and reserves which are held for various purposes. The following is a summary of the restricted accounts:

	<u>Program Operations</u>
Security deposits	\$ 37,447
Reserve for replacements	304,214
Residual receipt deposits	<u>4,366</u>
Total	<u>\$ 346,027</u>

Security deposits held will be returned to tenants when they vacate. Reserve for replacement accounts are required by the Department of Housing and Urban Development (HUD) and the City of Nashua and are used for the replacement of property with prior approval. Residual receipt deposits are required by the Department of Housing and Urban Development and are to be used at the discretion of HUD.

10. Beneficial Interest:

The Organization has a beneficial interest in the Harbor Homes, Inc. Fund (the Fund), a component fund of the New Hampshire Charitable Foundation's (the Foundation) Nashua Region. The Organization will receive distributions from the Fund based on a spending allocation, which is a percentage of the assets set by the Foundation and reviewed annually. The current spending percentage is 4.5% of the market value (using a 20-quarter average) of the Fund. At June 30, 2015, the value of the fund was \$149,503.

11. Accrued Expenses:

Accrued expenses include the following:

	<u>Program Operations</u>
Mortgage interest	\$ 2,474
Payroll and related taxes	313,560
Compensated absences - vacation time	361,016
Compensated absences - personal time	<u>42,966</u>
Total	<u>\$ 720,016</u>

12. Line of Credit:

At June 30, 2015, the Organization had a \$1,000,000 of credit available from TD Bank, N. A. due February 28, 2016, secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2015, the credit line had an outstanding balance of \$733,319 at an interest rate of 4.25%.

13. Security Deposits:

Security deposits are comprised of tenant security deposits and other miscellaneous deposits. Tenant security deposits are held in a separate bank account in the name of the Organization. These deposits will be returned to residents when they leave the facility. Interest will be returned to residents who have had over one year of continuous tenancy.

14. Capital Leases:

The Organization is the lessee of certain equipment under a capital lease expiring in November of 2017. Future minimum lease payments under this lease are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 47,985
2017	47,985
2018	<u>15,995</u>
Total	<u>\$ 111,965</u>

At June 30, 2015, equipment of \$132,000, net of amortization of \$6,600, related to the above capital leases.

15. Mortgages Payable, Tax Credits:

Mortgages payable, tax credits consist of a mortgage payable to the Community Development Finance Authority through the Community Development Investment Program, payable through the sale of tax credits to donor organizations, maturing in 2020, secured by real property located at 59 Factory Street in Nashua, NH. This amount is amortized over ten years at zero percent interest. The amount due at June 30, 2015 is \$121,367.

16. Mortgages Payable:

Mortgages payable as of June 30, 2015 consisted of the following:

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,879, including principal and interest at an adjustable rate of for the initial ten years based on the then prevailing 10/30 Federal Home Loan Bank Amortizing Advance Rate plus 3.00% and resetting in year 11 based on the then prevailing 10/20 Federal Home Loan Bank Amortizing Advance Rate plus 3.00%, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH.	\$ 1,192,597
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,193, including principal and interest at an adjustable rate of 4.57% for twenty years, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH.	1,183,704
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,768, including principal and interest at 7.05%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH.	1,095,094
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,391, including principal and interest at 6.75%, maturing in 2031, secured by real property located at 45 High Street in Nashua, NH.	707,137
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,126, including principal and interest at 6.97%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH.	678,412
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$3,996, including principal and interest at 4.75%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH.	640,990

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(continued)

A mortgage payable to TD Bank, due in monthly installments of \$5,387, including principal and interest at 7.27%, maturing in 2025, secured by real property located on Maple Street in Nashua, NH. 458,586

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,692, including principal and interest at 4.75%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH. 474,767

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,077, including principal and interest at 5.57% for the first five years, then adjusting in June 2015, 2020, 2025, and 2030 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 2.75%, maturing in 2035, secured by real property located at 189 Kinsley Street in Nashua, NH. 301,589

A mortgage payable to Mascoma Savings Bank, fsb., due in monthly installments of \$1,731, including principal and interest at 7.00% maturing in 2036, secured by real property located at 7 Trinity Street in Claremont, NH. 230,126

A mortgage payable to the Department of Housing and Urban Development, due in monthly installments of \$2,385, including principal and interest at 9.25%, maturing in 2022, secured by real property located at 3 Winter Street in Nashua, NH. 149,528

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,144, including principal and interest at a variable rate (5.61% at June 30, 2012), maturing in 2029, secured by real property located at 24 Mulberry Street in Nashua, NH. 130,245

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A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$779, including principal and interest at 7.20% for the first five years, then adjusting in April 2012, 2017, 2022, 2027, and 2032 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 225 basis points, maturing in 2037, secured by real property located at 4 New Have Drive, Unit 202 in Nashua, NH. 99,580

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,283, including principal and interest at 3.73%, maturing in 2035, secured by real property located at 59 Factory Street in Nashua, NH. 50,532

Total 7,392,887

Less amount due within one year (201,707)

Mortgages payable, net of current portion \$ 7,191,180

The following is a summary of future payments on the previously mentioned long-term debt.

<u>Year</u>	<u>Amount</u>
2016	\$ 201,707
2017	225,721
2018	242,625
2019	235,277
2020	249,036
Thereafter	<u>6,238,521</u>
Total	\$ <u>7,392,887</u>

17. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2015 totaling \$5,332,834. These loans are not required to be repaid unless the Organization is in default with the terms of the loan agreements or if an operating surplus occurs within that program.

Several of these loans are special financing from the New Hampshire Housing Finance Authority (NHHFA) to fund specific projects. These notes are interest free for thirty years with principal payments calculated annually at the discretion of the lender.

The following is a list of deferred mortgages payable at June 30, 2015:

	<u>Program Operations</u>
City of Manchester:	
Somerville Street property	\$ <u>300,000</u>
Total City of Manchester	300,000
 City of Nashua:	
Factory Street property	580,000
Spring Street property	491,000
Charles Street property	98,087
High Street fire system	<u>65,000</u>
Total City of Nashua	1,234,087
 Federal Home Loan Bank (FHLB):	
Factory Street property	400,000
Somerville Street property	400,000
Spring Street property	<u>398,747</u>
Total FHLB	1,198,747
 NHHFA:	
Factory Street property	1,000,000
Spring Street property	550,000
Charles Street property	50,000
Somerville Street property	<u>1,000,000</u>
Total NHHFA	<u>2,600,000</u>
Total Mortgages Payable, Deferred	\$ <u>5,332,834</u>

18. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2015:

<u>Purpose</u>	<u>Amount</u>
Art supplies	\$ 433
Client transportation	2,558
Christmas gifts	300
Dalianis bricks	735
HVRP client assistance	6,858
Operation brightside	2,000
PEC	229
SCOAP	1,052
Software	25,000
Standdown	770
Thanksgiving	1,615
Veterans computers	<u>5,630</u>
Total	<u>\$ 47,180</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time.

19. Transactions with Related Parties:

The Organization's clients perform janitorial services for Harbor Homes HUD I, II and III, Inc., Welcoming Light, Inc., Milford Regional Counseling Services, Inc., Healthy at Home, Inc., Greater Nashua Council on Alcoholism, and Southern NH HIV/AIDS Task Force, related organizations. These services are billed to the related organizations and reported as revenues in the accompanying financial statements.

The Organization currently has several contracts with Healthy at Home, Inc. to receive various skilled nursing services, CNA services and companion services for its clients. All of the contracts are based on per diem fees, ranging from \$16 per hour for companion services to \$100 per visit for skilled nursing services.

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, Greater Nashua Council on Alcoholism, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$24,816, \$14,000 and \$60,000, respectively, for fiscal year 2015.

Harbor Homes, Inc. receives management fees from the related HUD projects.

The Organization is considered a commonly controlled organization with several related entities by way of its common board of directors. However, management feels that the principal prerequisites for preparing combined financial statements are not met, and therefore more meaningful separate statements have been prepared.

The following are the commonly controlled organizations:

Harbor Homes II, Inc.
Harbor Homes III, Inc.
HH Ownership, Inc.
Welcoming Light, Inc.
Milford Regional Counseling Services, Inc.
Healthy at Home, Inc.
Greater Nashua Council on Alcoholism
Southern NH HIV/AIDS Task Force

20. Deferred Compensation Plans:

The Organization maintains a 403(b) retirement plan. Upon meeting the eligibility criteria, employees can contribute a portion of their wages to the plan. The Organization matches a percentage of the employee contribution based on years of service. Total matching contributions paid by the Organization for the year ended June 30, 2015 were \$192,367.

The Organization maintains a deferred compensation plan for certain employees and directors (the "SA Plan"). The deferred compensation liability under the SA Plan was \$91,937 as of June 30, 2015 and was recorded as a long-term liability. This liability is offset by a corresponding long-term asset in the same amount.

21. Concentration of Risk:

The Organization receives 34%, 19%, 16% and 10% of its revenue from the Department of Health and Human Services, the Department of Housing and Urban Development, the Department of Veterans Affairs, and Medicaid, respectively.

22. Fair Value Measurements:

FASB ASC, *Fair Value Measurements*, provides guidance for using fair value to measure assets and liabilities. *Fair Value Measurements* applies whenever other standards require or permit assets or liabilities to be

measured at their fair market value. The standard does not expand the use of fair value in any new circumstances. Under *Fair Value Measurements*, fair value refers to the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. *Fair Value Measurements* clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions.

Under *Fair Value Measurements*, the Organization categorizes its fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. Classification is based on the lowest level of input that is significant to the fair value of the instrument. The three levels are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;
- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued; and
- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

The estimated fair value of the Organization's financial instruments is presented in the following table:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Investments	\$ 10,299	\$ 10,299	\$ 10,299	\$ -	\$ -
Due from related organizations	409,638	409,638	-	-	409,638
Beneficial interest	<u>149,503</u>	<u>149,503</u>	<u>-</u>	<u>-</u>	<u>149,503</u>
Total assets	<u>\$ 569,440</u>	<u>\$ 569,440</u>	<u>\$ 10,299</u>	<u>\$ -</u>	<u>\$ 559,141</u>

(continued)

(continued)

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Due to related organizations	\$ 109,364	\$ 109,364	\$ -	\$ -	\$ 109,364
Line of credit	733,319	733,319	-	733,319	-
Capital leases payable	104,557	104,557	-	104,557	-
Mortgages payable, tax credits	121,367	121,367	-	-	121,367
Mortgages payable	7,392,887	7,392,887	-	7,392,887	-
Mortgages payable, deferred	<u>5,332,834</u>	<u>5,332,834</u>	<u>-</u>	<u>5,332,834</u>	<u>-</u>
Total liabilities	<u>\$ 13,794,328</u>	<u>\$ 13,794,328</u>	<u>\$ -</u>	<u>\$ 13,563,597</u>	<u>\$ 230,731</u>

Fair Value Measurements
Using Significant Unobservable Inputs
Level 3

	<u>Due from related organizations</u>	<u>Beneficial Interest</u>	<u>Due to related organizations</u>	<u>Mortgages Payable, Tax Credits</u>
Beginning balance June 2014	\$ 377,024	\$ 148,204	\$ 160,868	\$ 142,410
Advances	380,480	1,299	227,119	-
Reductions	<u>(347,866)</u>	<u>-</u>	<u>(278,623)</u>	<u>(21,043)</u>
Ending balance June 2015	<u>\$ 409,638</u>	<u>\$ 149,503</u>	<u>\$ 109,364</u>	<u>\$ 121,367</u>

23. Patient Service Revenue, Net:

The Organization recognizes patient services revenue associated with services provided to patients who have Medicaid, Medicare, third-party payor, and managed care plans coverage on the basis of contractual rates for services rendered. For uninsured self-pay patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates if negotiated or provided by the Organization's policy. Charity care services are computed using a sliding fee scale based on patient income and family size. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are provided.

The Organization accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those costs for which no payment is anti-

pated. The Organization uses federally established poverty guidelines to assess the level of discount provided to the patient. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines but may charge a nominal copay. If the patient is unable to pay the copay, the amount is written off to charity care. All patients are charged in accordance with a sliding fee discount program based on household size and household income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Patient services revenue, net of provision for bad debts and contractual allowances and discounts, consists of the following:

	2015			Net Patient Service Revenue	2014
	Gross Charges	Contractual Allowances	Charitable Care Allowances		Net Patient Service Revenue
Medicaid	\$ 1,085,578	\$ (409,541)	\$ -	\$ 676,037	\$ 127,975
Medicare	175,719	(29,815)	-	145,904	40,191
Third-party	346,960	(225,953)	-	121,007	37,144
Sliding fee/free care	162,567	-	(148,638)	13,929	41,922
Self-pay	123,384	-	-	123,384	147,126
Subtotal	1,894,208	(665,309)	(148,638)	1,080,261	394,358
Provision for bad debts				(187,064)	(166,783)
Total				\$ 893,197	\$ 227,575

24. Rent Expense:

The Organization has multiple grants requiring the payment of rents on behalf of the consumer. Rent expense totaling approximately \$3.8m is comprised of leases held in the Organization's name and the responsibility of the Organization, leases in consumers' names, or rents paid as client assistance.

25. Contingencies:

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Organization, if any, are not presently determinable.

26. Subsequent Events:

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2015 through December 10, 2015, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

HARBOR HOMES, INC. AND AFFILIATES BOARD OF DIRECTORS
 (Harbor Homes, Inc., HH Ownership, Inc., Welcoming Light, Inc., Healthy At Home, Inc., Milford Regional Counseling Services, Inc.,
 Greater Nashua Council on Alcoholism, Inc., Southern NH HIV Task Force)

David Aponovich - (603) 671-1166

Treasurer
 - (Chair, Finance Committee)
 - (Facilities Committee)
 - (Executive Committee)

Joel Jaffe - (603) 671-1166

Asst. Secretary
 - (Chair, Executive Committee)

Vincent Chamberlain - (603) 671-1166

Chair of the Board

Lynn King - (603) 671-1166

Vice Chair
 - (Chair, RDP Committee)

Laurie Des Rochers - (603) 671-1166

- (Facilities Committee)

Melissa Knight - (603) 671-1166

- (HCC Oversight Committee)

Phil Duhalme - (603) 671-1166

- (Governance Committee)
 - (Executive Committee)

Naomi Moody - (603) 671-1166

(no committee assignment)

Laurie Goguen - (603) 671-1166

Secretary
 - (Chair, Governance Committee)
 - (HCC Oversight Committee)
 - (Executive Committee)

Rick Plante - (603) 671-1166

- (Chair, Facilities Committee)
 - (RDP Committee)

Nathan Goodwin - (603) 671-1166

- (Governance Committee)
 - (RDP Committee)

Phil Richard - (603) 671-1166

- (Facilities Committee)
 - (Governance Committee)

Alphonse Haettenschwiller - (603) 671-1166

- (Finance Committee)
 - (Chair, HCC Oversight Committee)

Dan Sallet - (603) 671-1166

- (Finance Committee)

PETER J. KELLEHER, CCSW, LICSW

45 High Street
Nashua, NH 03060

Telephone: (603) 882-3616

Fax: (603) 595-7414

E-mail: p.kelleher@nhpartnership.org

PROFESSIONAL EXPERIENCE

- 2006-Present **President & CEO, Southern NH HIV Task Force**
- 2002-Present **President & CEO, GNCA, Inc. Nashua, NH**
- 1997-Present **President & CEO, Healthy At Home, Inc., Nashua, NH**
- 1995-Present **President & CEO, Milford Regional Counseling Services, Inc., Milford, NH**
- 1995-Present **President & CEO, Welcoming Light, Inc., Nashua, NH**
- 1982-Present **President & CEO, Harbor Homes, Inc., Nashua, NH**
Currently employed as chief executive officer of six nonprofit corporations (Partnership for Successful Living) creating and providing residential and supportive services, mental health care, primary/preventive health care, substance use disorder treatment and prevention services, supported employment and workforce development, professional training, and in-home health care to individuals and families who are homeless, living with disabilities, and/or are underserved/members of vulnerable populations. Responsible for initiation, development, and oversight of more than 50 programs comprising a \$13,000,000 operating budget; proposal development resulting in more than \$6,000,000 in grants annually; oversight of 250+ management and direct care professionals.
- 2003-2006 **Consultant**
Providing consultation and technical assistance throughout the State to aid service and mental health organizations
- 1980 - 1982 **Real Estate Broker, LeVaux Realty, Cambridge, MA**
Successful sales and property management specialist.
- 1979 - 1980 **Clinical Coordinator, Task Oriented Communities, Waltham, MA**
Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.
- 1978 - 1979 **Faculty, Middlesex Community College, Bedford, MA**
Instructor for an introductory group psychotherapy course offered through the Social Work Department.
- 1977 - 1979 **Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA**
Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.
- 1976 **Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA**
Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.
- 1971 - 1976 **Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA**
Major responsibilities consisted of psycho educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

EDUCATIONAL EXPERIENCE

- 1975 - 1977 Simmons College School of Social Work, Boston, MA
Cambridge-Somerville Community Mental Health Program, MSW
- 1971 - 1975 Clark University, Worcester, MA. Received Bachelor of Arts Degree in Psychology

LICENSES AND CERTIFICATIONS

- 1979 Licensed Real Estate Broker – Massachusetts
- 1989 Academy of Certified Social Workers – NASW
- 1990 Licensed Independent Clinical Social Worker - Massachusetts
- 1994 State of New Hampshire Certified Clinical Social Worker, MA LICSW

PLACEMENTS

- 1976 - 1977 Cambridge Hospital, In-Patient Psychiatry, Cambridge, MA
Individual, group, and family counseling to hospitalized patients.
- 1975 - 1976 Massachusetts Institute of Technology, Social Service Department, Cambridge, MA
Similar to above.

FIELD SUPERVISION

- 1983 - 1984 Antioch/New England Graduate School, Department of Professional Psychology, Keene, NH
- 1983 - 1984 Rivier College, Department of Psychology, Nashua, NH
- 1990 - 1991 Rivier College, Department of Psychology, Nashua, NH
- 1978 - 1979 Middlesex Community College, Social Work Associates Program, Bedford, MA

AWARDS

- High School Valedictorian Award
- National Institute of Mental Health Traineeship in Social Work
- University of New Hampshire Community Development 2003 Community Leader of the Year
- NAMI NH 2007 Annual Award for Systems Change
- Peter Medoff AIDS Housing Award 2007
- The Walter J. Dunfey Corporate Fund Award for Excellence in Non Profit Management 2009
- Business Excellence Award 2010

MEMBERSHIPS

Former Chair, Governor's State Interagency Council on Homelessness/New Hampshire Policy Academy
Former Chair, Greater Nashua Continuum of Care
National Association of Social Workers
Board Member, Greater Nashua Housing & Development Foundation, Inc.
Board Member, New Futures, Concord, NH
Former Member, Rotary Club, Nashua, NH

HARBOR HOMES, INC.
February 18, 2015

SALARIES OF KEY ADMINISTRATIVE PERSONNEL

Name	Job Title	Salary	% Paid From This Grant
Peter Kelleher	President & CEO	\$ 115,856	0%
Carol Furlong	Vice President, Operations	\$ 93,496	0%
Ana Pancine	Financial Specialist	\$ 60,000	0%



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

4V 17

March 26, 2015

APPROVED F/C	_____
DATE	_____
APPROVED G&C #	17
DATE	5/6/15
NOT APPROVED	_____

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, to establish a list of licensed medical providers, with the ability to expand to include additional licensed medical providers to provide necessary outpatient visits labs, and diagnostic tests, and outpatient procedures for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 each State Fiscal Year for a total of \$200,000. The Agreements are effective date of Governor and Executive Council approval through June 30, 2016. 100% Other Funds.

VENDOR	LOCATION	VENDOR NUMBER
Harbor Homes	45 High Street Nashua, NH 03060	155358-B001

Funds are available in the following account for SFY 2015, and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

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

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2015	530-500371	Drug Rebates	90024608	\$100,000
SFY 2016	530-500371	Drug Rebates	90024608	\$100,000
		Total		\$200,000

EXPLANATION

This requested action seeks approval of one of five (5) agreements that will ensure the provision of outpatient visits, labs, and diagnostic tests, and outpatient procedures services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide that are enrolled in the New Hampshire Ryan White CARE Program. The licensed provider will provide outpatient visits labs, and diagnostic tests, and outpatient procedures services to enrolled clients, on an individual, case-by-case, as needed basis. The Department anticipates that the remaining four (4) agreements will be presented at an upcoming Governor and Executive Council meeting.

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

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

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit medical providers to provide outpatient services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to 22 known providers on April 4, 2014, notifying them that a Request for Application was posted. Four (4) were received from licensed medical providers, and were approved for funding.

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

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

The geographic area to be served is statewide.

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

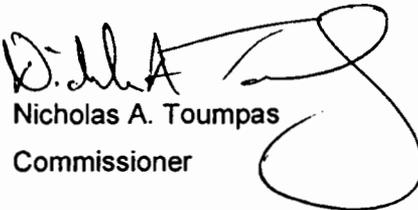
In the event that the Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD, MHCDS
Director

Approved by:



Nicholas A. Toumpas
Commissioner

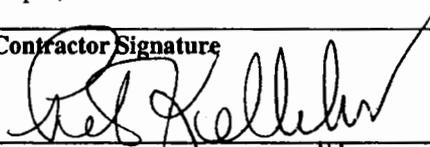
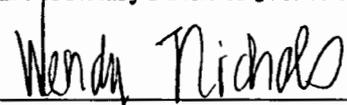
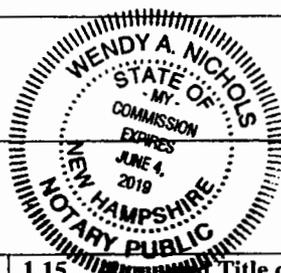
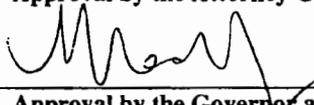
Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Harbor Homes, Inc		1.4 Contractor Address 45 High Street Nashua, NH 03060	
1.5 Contractor Phone Number 603-882-3616	1.6 Account Number 05-95-90-902510-2229-530-500371	1.7 Completion Date June 30, 2016	1.8 Price Limitation \$200,000
1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief		1.10 State Agency Telephone Number 603-271-4483	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Peter Kelleher, President & CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>2/17/15</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace Wendy Nichols			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Yagli - Attorney On: <u>4/26/15</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials: 
Date: 2/17/15

8. EVENT OF DEFAULT/REMEDIES.

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials: 
Date: 2/19/15

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

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

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials: 
Date: 2/17/15



Exhibit A

Scope of Services

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

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

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide outpatient visits, labs, tests and procedures to NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed and the contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.3. The Contractor shall invoice the NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program; services shall be reimbursed at NH Medicaid rates.
- 2.4. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.5. The Contractor shall provide client level data via CAREWare (OR a bridge to CAREWare from a compatible electronic medical record) to the NH CARE Program for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.6. The Contractor shall maximize billing to NH Medicaid and private insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for clients.
- 2.7. The Contractor shall participate in periodic monitoring calls with the contract monitor. The contract monitor shall be the primary point of contact for all NH CARE Program questions.

[Handwritten Signature]



Exhibit A

3. Licensing Requirements:

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

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

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

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

6. Entire Agreement:

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



Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual outpatient Ambulatory medical care services provided by the contractor to enrolled NH CARE Program clients. Services will be reimbursed at NH Medicaid rates.
2. Price Limitation: This Agreement is one of multiple Agreements that will serve the NH CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contactor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Outpatient Ambulatory Medical Care Services is 100% federal funds from the Pharmaceutical Rebates.
5. Contract medical provider shall complete and submit an outpatient visit, laboratory test, or diagnostic test Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their outpatient services related to Department of Health and Human Services funded programs and services.
7. Outpatient ambulatory medical care providers are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Medical provider's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.



SPECIAL PROVISIONS

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

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



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

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

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



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

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



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**

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

2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. **Extension:**

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

4. **Insurance:**

Subparagraph 14.1.1 of the General Provisions of this contract is deleted and the following subparagraph is added:

 - 14.1.1 Comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and umbrella liability coverage in the amount of \$5,000,000 per occurrence.



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR 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

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2/17/15



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

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

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

Contractor Name: Harbor Homes Inc .

2/17/15
Date


Name: Peter Kelleher
Title: President & CEO



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

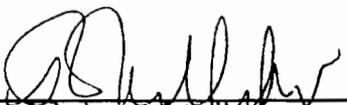
The undersigned certifies, to the best of his or her knowledge and belief, that:

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

Contractor Name: Harbor Homes Inc.

2/17/15
Date


Name: Peter Kelleher
Title: President & CEO



**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



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: Harbor Homes Inc.

2/17/15
Date


Name: Peter Kelleher
Title: President & CEO



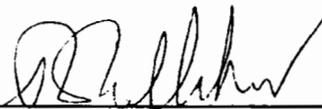
CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Contractor Name: Harbor Homes Inc.

2/17/15
Date


Name: Peter Kelleher
Title: President & CEO



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: Harbor Homes Inc .

2/17/15
Date

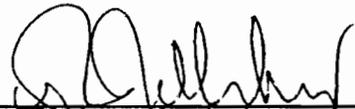

Name: Peter Kelleher
Title: President & CEO



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions.**

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



Exhibit I

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

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

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



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

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

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

ph



Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

PK

2/17/15



Exhibit I

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

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

<u>Department of Health and Human Svcs</u> The State	<u>Harbor Homes Inc.</u> Name of the Contractor
<u><i>Brook Dupee</i></u> Signature of Authorized Representative	<u><i>[Signature]</i></u> Signature of Authorized Representative
<u>Brook Dupee</u> Name of Authorized Representative	<u>Peter Kelleher</u> Name of Authorized Representative
<u>Bureau Chief</u> Title of Authorized Representative	<u>President & CEO</u> Title of Authorized Representative
<u>3/23/15</u> Date	<u>2/17/15</u> Date



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

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

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

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

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

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

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

Contractor Name: Harbor Homes Inc .

Name: Peter Kelleher
Title: President & CEO

2/17/15
Date

Contractor Initials PK
Date 2/17/15



FORM A

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

1. The DUNS number for your entity is: B-1864357
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

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

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

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

NO YES

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: _____



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Outpatient Ambulatory Medical Care Providers Contract**

This first Amendment to the NH Ryan White CARE Program Outpatient Ambulatory Medical Care Providers Contract, (hereinafter referred to as "Amendment #1") dated this 10th day of February, 2016, 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 d/b/a Dartmouth-Hitchcock Clinic. (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at One Medical Center Drive, Lebanon, NH 03756-0001.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on May 27, 2015, Item #32, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, and Exhibit C-1 Paragraph 6, the State may renew the contract for two (2) additional years by written agreement of the parties and approval of the Governor and Executive Council; and;

WHEREAS the parties agree to increase the contract price limitation and extend the contract completion date 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 as follows:

To amend as follows:

1. Form P-37, General Provisions, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$400,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558

New Hampshire Department of Health and Human Services



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

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

Date 4/26/16

State of New Hampshire
Department of Health and Human Services
Marcella J. Bobinghy
Name: Marcella J. Bobinghy
Title: Acting Director

Date 4-15-2016

Mary Hitchcock Memorial Hospital d/b/a Dartmouth-Hitchcock Clinic
Daniel P. Jantzen
Name: Daniel P. Jantzen
Title: COO

Acknowledgement:

State of New Hampshire County of Grafton on 4-15-2016, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or ~~Justice of the Peace~~

Faith E. Johnston
Name and Title of Notary or ~~Justice of the Peace~~



New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

5/16/14
Date

Megan A. Apple
Name: Megan A. Apple
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

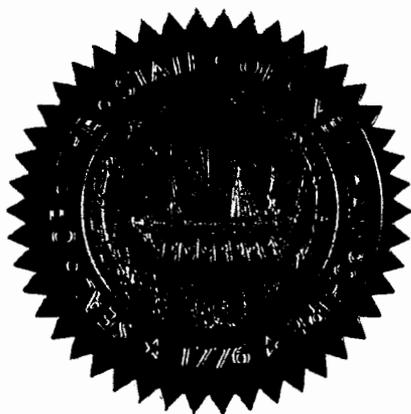
Date

Name:
Title:

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MARY HITCHCOCK MEMORIAL HOSPITAL is a New Hampshire nonprofit corporation formed August 7, 1889. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 13th day of April A.D. 2016

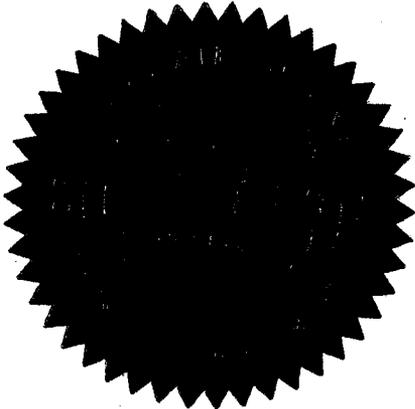
A handwritten signature in cursive script, appearing to read "William M. Gardner".

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 DARTMOUTH-HITCHCOCK CLINIC is a New Hampshire nonprofit corporation formed March 1, 1983. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 18th day of March, A.D. 2016

A handwritten signature in black ink, appearing to read "William M. Gardner", written in a cursive style.

William M. Gardner
Secretary of State

NEW HAMPSHIRE

Corporation Division

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Date: 5/17/2016

Filed Documents

(Annual Report History, View Images, etc.)

Business Name History

Name	Name Type
DARTMOUTH-HITCHCOCK CLINIC	Legal
THE HITCHCOCK CLINIC	Prev Legal
HITCHCOCK CLINIC	Prev Legal

Non-Profit Corporation - Domestic - Information

Business ID: 69168
Status: Good Standing
Entity Creation Date: 3/1/1983
Principal Office Address: 1 MEDICAL CENTER DRIVE
 LEBANON NH 03756
Principal Mailing Address: ONE MEDICAL CENTER DR
 Lebanon NH 03756
Expiration Date: Perpetual
Last Annual Report Filed Date: 9/22/2015 10:43:29 AM
Last Annual Report Filed: 2015

Registered Agent

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

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

CERTIFICATE OF VOTE/AUTHORITY

I, Anne-Lee Verville of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital, do hereby certify that:

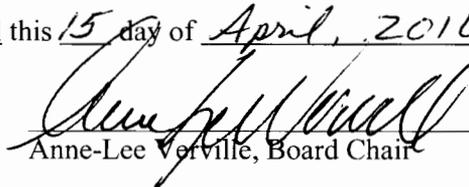
1. I am the duly elected Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital;
2. The following is a true and accurate excerpt from the December 7th, 2012 Bylaws of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital:

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.”

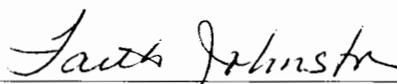
3. Article I – Section A, as referenced above, provides authority for the chief officers, including the Chief Executive Officer and Chief Operating Officer, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital to sign and deliver, either individually or collectively, on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.
4. Daniel P. Jantzen is the Chief Operating 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 15 day of April, 2016.



Anne-Lee Verville, Board ChairSTATE OF NHCOUNTY OF GRAFTON

The foregoing instrument was acknowledged before me this 15 day of April 2016 by Anne-Lee Verville.



Notary Public
My Commission Expires: 10/26/2016



CERTIFICATE OF INSURANCE

DATE: March 22, 2016

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

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.

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

COVERAGES

This is to certify that the Policy listed below have been issued to the Named Insured 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. This policy issued by a risk retention group may not be subject to all insurance laws and regulations in all states. State insurance insolvency funds are not available to a risk retention group policy.

TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
X	COMMERCIAL GENERAL LIABILITY				GENERAL AGGREGATE	\$2,000,000
					PRODUCTS-COMP/OP AGGREGATE	
					PERSONAL ADV INJURY	
					EACH OCCURRENCE	\$1,000,000
					FIRE DAMAGE	
x	CLAIMS MADE				MEDICAL EXPENSES	
	OCCURRENCE					
PROFESSIONAL LIABILITY		0002015-A	07/01/2015	06/30/2016	EACH OCCURENCE	\$1,000,000
					ANNUAL AGGREGATE	\$3,000,000
OTHER						

DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTIONS)

Certificate of Insurance issued as evidence of insurance for activities related to the State of New Hampshire Contract.

CERTIFICATE HOLDER

State of New Hampshire
 129 Pleasant Street- Brown Bldg
 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



CERTIFICATE OF LIABILITY INSURANCE

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

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

PRODUCER: HUB Healthcare Solutions, HUB International New England, 100 Central Street, 2nd Floor, Holliston, MA 01746. CONTACT NAME: Jessica Kelley, PHONE: 978-661-6233, FAX: 866-381-4798, E-MAIL ADDRESS: jessica.kelley@hubinternational.com. INSURER(S) AFFORDING COVERAGE: Safety National Casualty Corp.

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.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL INSR, SUBR WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include General Liability, Automobile Liability, Umbrella Liability, and Workers Compensation.

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

Evidence of Workers Compensation coverage.

CERTIFICATE HOLDER: State of New Hampshire, Attn: Denise Shelburne, Contracts & Procurement Unit 129, Pleasant Street - Brown Bldg, 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: [Signature]



Mission, Vision, & 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.

Values

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

Dartmouth-Hitchcock Health and Subsidiaries

**Consolidated Financial Statements
June 30, 2015 and 2014**

Dartmouth-Hitchcock Health and Subsidiaries
Index
June 30, 2015 and 2014

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Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of Dartmouth-Hitchcock Health and Subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 2015 and 2014, and the related consolidated statements of operations and changes in net assets and of cash flows for the years ended June 30, 2015 and 2014.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the consolidated financial statements of The Cheshire Medical Center, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets constituting 9.7% of consolidated total assets at June 30, 2015 and total revenues of 3.5% of consolidated total revenues for the year then ended. Those statements as of June 30, 2015 and for the four months then ended were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for The Cheshire Medical Center, is based solely on the report of the other auditors. We did not audit the consolidated financial statements of New London Hospital Association, Inc. and Subsidiaries, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets constituting 3.8% of consolidated total assets at June 30, 2014 and total revenues of 3.0% of consolidated total revenues for the year then ended. Those statements as of June 30, 2014 and for the nine months then ended were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for New London Hospital Association, Inc. and Subsidiaries, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on 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.



Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Health System at June 30, 2015 and 2014, and the results of its operations and changes in net assets and its cash flows for the years ended June 30, 2015 and 2014 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 investment gains and losses recognized within periodic pension cost in 2015. Our opinion is not modified with respect to this matter.

Other Matter

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 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 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 and results of operations and changes in unrestricted net assets 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 and results of operations and changes in unrestricted net assets of the individual companies.

PricewaterhouseCoopers LLP

November 27, 2015

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Balance Sheets
June 30, 2015 and 2014

<i>(in thousands of dollars)</i>	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 38,909	\$ 50,927
Patient accounts receivable, net of estimated uncollectibles of \$92,532 and \$124,404 at June 30, 2015 and 2014 (Note 4)	204,272	184,606
Prepaid expenses and other current assets (Note 13)	100,586	91,302
Total current assets	343,767	326,835
Assets limited as to use (Notes 5, 7, and 10)	620,425	629,185
Other investments for restricted activities (Notes 5 and 7)	132,016	101,675
Property, plant, and equipment, net (Note 6)	601,355	484,753
Other assets	88,450	72,508
Total assets	<u>\$ 1,786,013</u>	<u>\$ 1,614,956</u>
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt (Note 10)	\$ 17,179	\$ 13,281
Line of credit (Note 13)	1,200	-
Current portion of liability for pension and other postretirement plan benefits (Note 11)	5,961	5,142
Accounts payable and accrued expenses (Note 13)	120,221	93,023
Accrued compensation and related benefits	94,864	78,575
Estimated third-party settlements (Note 4)	36,599	30,677
Total current liabilities	276,024	220,698
Long-term debt, excluding current portion (Note 10)	575,484	550,703
Insurance deposits and related liabilities (Note 12)	62,356	68,498
Interest rate swaps (Notes 7 and 10)	24,740	24,413
Liability for pension and other postretirement plan benefits, excluding current portion (Note 11)	187,568	139,056
Other liabilities	56,109	47,980
Total liabilities	<u>1,182,281</u>	<u>1,051,348</u>
Net assets		
Unrestricted (Note 9)	474,194	462,675
Temporarily restricted (Notes 8 and 9)	76,457	64,664
Permanently restricted (Notes 8 and 9)	53,081	36,269
Total net assets	<u>603,732</u>	<u>563,608</u>
Commitments and contingencies (Notes 4, 6, 7, 10, and 13)	-	-
Total liabilities and net assets	<u>\$ 1,786,013</u>	<u>\$ 1,614,956</u>

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, 2015 and 2014

<i>(in thousands of dollars)</i>	2015	2014
Unrestricted revenue and other support		
Net patient service revenue, net of provision for bad debt (\$17,562 and \$47,606 in 2015 and 2014), (Notes 1 and 4)	\$ 1,380,559	\$ 1,229,848
Contracted revenue (Note 2)	80,835	92,390
Other operating revenue (Note 2 and 5)	82,993	64,804
Net assets released from restrictions	15,637	11,670
Total unrestricted revenue and other support	1,560,024	1,398,712
Operating expenses		
Salaries	776,402	675,716
Employee benefits	213,975	209,052
Medical supplies and medications	219,967	196,397
Purchased services and other	205,704	169,956
Medicaid enhancement tax (Note 4)	51,996	34,488
Depreciation and amortization	67,213	57,729
Interest (Note 10)	18,442	18,436
Expenditures relating to net assets released from restrictions	15,637	11,670
Total operating expenses	1,569,336	1,373,444
Operating (loss) gain	(9,312)	25,268
Nonoperating gains (losses)		
Investment (losses) gains (Notes 5 and 10)	(11,015)	56,804
Other losses	(1,241)	(4,473)
Contribution revenue from acquisition (Note 3)	92,499	33,692
Total nonoperating gains (losses), net	80,243	86,023
Excess of revenue over expenses	\$ 70,931	\$ 111,291

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, Continued
Years Ended June 30, 2015 and 2014

<i>(in thousands of dollars)</i>	2015	2014
Unrestricted net assets		
Excess of revenue over expenses	\$ 70,931	\$ 111,291
Net assets released from restrictions	2,411	763
Change in funded status of pension and other postretirement benefits (Note 11)	(60,892)	19,669
Change in fair value of interest rate swaps (Note 10)	(931)	1,538
Increase in unrestricted net assets	<u>11,519</u>	<u>133,261</u>
Temporarily restricted net assets		
Gifts, bequests, sponsored activities	10,625	18,295
Investment gains	1,797	1,171
Change in net unrealized (losses) gains on investments	(1,619)	2,998
Net assets released from restrictions	(18,048)	(12,433)
Contribution of temporarily restricted net assets from acquisition	19,038	386
Increase in temporarily restricted net assets	<u>11,793</u>	<u>10,417</u>
Permanently restricted net assets		
Gifts and bequests	202	2,961
Contribution of permanently restricted net assets from acquisition	16,610	2,053
Increase in permanently restricted net assets	<u>16,812</u>	<u>5,014</u>
Change in net assets	<u>40,124</u>	<u>148,692</u>
Net assets		
Beginning of year	<u>563,608</u>	<u>414,916</u>
End of year	<u>\$ 603,732</u>	<u>\$ 563,608</u>

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, 2015 and 2014

<i>(in thousands of dollars)</i>	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 40,124	\$ 148,882
Adjustments to reconcile change in net assets to net cash provided by operating and nonoperating activities		
Change in fair value of interest rate swaps	(104)	(568)
Provision for bad debt	17,562	47,886
Depreciation and amortization	67,414	58,286
Contribution revenue from acquisition	(128,147)	(36,831)
Change in funded status of pension and other postretirement benefits	60,892	(19,859)
Loss on disposal of fixed assets	670	383
Net realized (loses) gains and change in net unrealized (losses) gains on investments	15,795	(58,824)
Restricted contributions	(11,040)	(10,827)
Proceeds from sale of securities	723	483
Changes in assets and liabilities		
Patient accounts receivable, net	(17,151)	(54,887)
Prepaid expenses and other current assets	9,165	(7,829)
Other assets, net	(4,388)	(10,623)
Accounts payable and accrued expenses	(5,169)	10,638
Accrued compensation and related benefits	8,684	157
Estimated third-party settlements	2,637	2,389
Insurance deposits and related liabilities	(17,177)	(23,654)
Liability for pension and other postretirement benefits	(25,471)	(14,980)
Other liabilities	(669)	9,489
Net cash provided by operating and nonoperating activities	<u>14,350</u>	<u>41,751</u>
Cash flows from investing activities		
Purchase of property, plant, and equipment	(87,196)	(50,883)
Proceeds from sale of property, plant, and equipment	1,533	3,655
Purchases of investments	(166,589)	(107,286)
Proceeds from maturities and sales of investments	195,950	111,881
Cash received through acquisition	29,914	3,431
Net cash used by investing activities	<u>(26,388)</u>	<u>(39,262)</u>
Cash flows from financing activities		
Proceeds from line of credit	60,904	100,880
Payments on line of credit	(60,700)	(100,880)
Repayment of long-term debt	(54,682)	(27,351)
Proceeds from issuance of debt	43,452	17,866
Payment of debt issuance costs	6	(428)
Restricted contributions	11,040	8,589
Net cash provided (used) by financing activities	<u>20</u>	<u>(2,864)</u>
(Decrease) increase in cash and cash equivalents	(12,018)	45
Cash and cash equivalents		
Beginning of year	50,927	50,882
End of year	<u>\$ 38,909</u>	<u>\$ 50,927</u>
Supplemental cash flow information		
Interest paid	\$ 21,659	\$ 22,280
Asset appreciation due to affiliations	15,596	6,887
Construction in progress included in accounts payable and accrued expenses	1,955	10,560
Equipment acquired through issuance of capital lease obligations	1,741	784
Donated securities	685	483

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

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Notes to Financial Statements

Years Ended June 30, 2015 and 2014

1. Organization and Community Benefit Commitments

Dartmouth-Hitchcock Health (D-HH) serves as the sole corporate member of Mary Hitchcock Memorial Hospital (MHMH) and Dartmouth-Hitchcock Clinic (DHC) (collectively referred to as "Dartmouth-Hitchcock" (D-H)), New London Hospital Association (NLH), Mt. Ascutney Hospital and Health Center (MAHHC) and The Cheshire Medical Center (Cheshire).

The "Health System" consists of D-HH, its affiliates and their subsidiaries.

D-HH currently operates one tertiary and three community acute care hospitals in NH and VT, one facility providing inpatient and outpatient mental health services, and one facility providing inpatient and outpatient rehabilitation medicine and long-term care. D-HH also operates two physician practices and a nursing home. D-HH 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, MHMH, DHC, NLH and Cheshire are New Hampshire (NH) not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). MAHHC is a Vermont (VT) not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the IRC.

Fiscal year 2015 includes a full year of operations of D-HH, D-H, NLH, MAHHC and four months of operations of Cheshire. Fiscal year 2014 includes a full year of operations of D-HH, D-H and nine months of operations of NLH (Note 3).

Community Benefits

The mission of the Health System is to 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.

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.

The Health System files annual Community Benefits Reports with the States of NH and VT which outline the community and charitable benefits it provides. The broad 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 lectures, 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.).

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

- *Subsidized health services* are services provided even though there is a financial loss because they 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* representing costs in excess of awards for numerous health research and service initiatives awarded to the organizations.
- *Community health-related initiatives* outside of the organization(s) through various financial contributions of cash, in-kind, and grants to local organizations.
- *Community-building activities* include cash, in-kind donations, and budgeted expenditures for the development of programs and partnerships intended to address 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 (financial assistance)* represents services provided to patients who cannot afford healthcare services due to inadequate financial resources which result from being uninsured or underinsured. For the years ended June 30, 2015 and 2014, the Health System provided financial assistance to patients in the amount of approximately \$50,076,000 and \$56,372,000, respectively, as measured by gross charges. The estimated cost of providing this care for the years ended June 30, 2015 and 2014 was approximately \$20,781,000 and \$20,454,000, respectively. The estimated costs of providing charity care services are determined applying a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of costs to charges is calculated using total expenses, less bad debt, divided by gross revenue.
- *Government-sponsored healthcare services*, provided to Medicaid and Medicare patients at reimbursement levels that are significantly below the cost of the care provided.
- The *uncompensated cost of care for Medicaid* patients reported in the unaudited Community Benefits Reports for 2014 was approximately \$109,696,000. The 2015 Community Benefits Reports are expected to be filed in February 2016.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

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, 2014:

(Unaudited, in thousands of dollars)

Community health services	\$ 3,267
Health professional education	28,551
Subsidized health services	7,407
Research	5,421
Financial contributions	7,142
Community building activities	797
Community benefit operations	29
Charity care	20,454
Government-sponsored healthcare services	159,446
Total community benefit value	<u>\$ 232,514</u>

The Health System also provides a significant amount of uncompensated care to its patients that are reported as provision for bad debts, which is not included in the amounts reported above. During the years ended June 30, 2015 and 2014, the Health System reported a provision for bad debt expense of approximately \$17,562,000 and \$47,606,000, respectively. The Health System also routinely provides services to Medicare patients at reimbursement levels that are below the costs of the care provided.

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* (ASC 954), which addresses the accounting for healthcare entities. In accordance with the provisions of ASC 954, net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed stipulations and are available for operations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have 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 date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant areas that are affected by the use of estimates include the allowance for estimated uncollectible accounts and contractual allowances, valuation of certain investments, estimated third-party settlements, insurance reserves, and pension obligations. Actual results could differ from those estimates.

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Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets include excess of revenue over expenses. Operating revenues consist of those items attributable to the care of patients, including contributions and investment income on unrestricted investments, which are utilized to provide charity and other operational support. Peripheral activities, including unrestricted contribution income from acquisitions, realized gains/losses on sales of investment securities and changes in unrealized gains/losses in investments are reported as nonoperating gains (losses).

Changes in unrestricted net assets which are excluded from 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 and Provision for Bad Debts

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. Additions to the allowance for uncollectible accounts are made by means of the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for bad debts 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).

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and bad debt expense. 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).

Contract Revenue

The Health System has various Professional Service Agreements (PSAs), pursuant to which certain facilities 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. This revenue includes retail pharmacy, joint operating agreements, grant revenue, cafeteria sales, meaningful use incentive payments and other support service revenue.

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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 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 sheets date on a non-distressed basis.

Certain affiliates 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 restricted assets 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 unrestricted investments, change in value of equity method investments, interest, and dividends) are included in excess of revenue over expenses 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.

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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 market 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 ten 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 unrestricted support, and excluded from 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 as other assets, are amortized over the term of the related bonds. Amortization is recorded within depreciation and amortization in the consolidated statements of operations and changes in net assets using the straight-line method which approximates the effective interest method.

Trade Names

The Health System records trade names as intangible assets within other assets on the consolidated statements of financial position. The Health System considers trade names 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

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exceed their fair values. The Health System has recorded \$2,700,000 as intangible assets associated with its affiliations. There were no impairment charges recorded for the years ended June 30, 2015 and 2014.

Derivative Instruments and Hedging Activities

The Health System applies the provisions of ASC 815, *Derivatives and Hedging*, to its derivative instruments, which requires that all derivative instruments be recorded at their respective fair value 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 or to 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 unrestricted net assets 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 operation 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 and Bequests

Unrestricted gifts and bequests 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 market value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Change in Accounting

During 2015, the Health System elected to change its method of accounting for pension and postretirement benefits. For purposes of calculating the expected return on plan assets, the Health System will no longer use an averaging technique permitted under Generally Accepted Accounting

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Principles (GAAP) for the market-related value of plan assets, but instead will use the actual fair value of plan assets. These changes are intended to improve the transparency of the Health System's operating results by more quickly recognizing the effects of current economic and interest rate trends on plan investments and assumptions. These changes have been reported through retrospective application to all periods presented. The impact of the change in accounting for the years ended June 30, 2015 and 2014 was an approximate (reduction) increase in pension expense of (\$4,800,000) and \$4,900,000, respectively.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued a standard on Revenue from Contracts with Customers. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2017. The Health System is evaluating the impact this will have on the combined financial statements beginning in Fiscal Year 2018.

3. Acquisitions

Effective July 1, 2014 D-HH became the sole corporate member of Windsor Hospital Corporation (dba Mt. Ascutney Hospital and Health Center "MAHHC") through an affiliation agreement. MAHHC is a not-for-profit corporation providing inpatient and outpatient care services to residents of Windsor County, Vermont. MAHHC is the sole corporate member of Historic Homes of Runnemedede, Inc. a not-for-profit Vermont corporation providing recreational, educational and residential care services for the aging. In addition, MAHHC is the sole corporate member of Mt. Ascutney Hospital Community Health Foundation, Inc. which is a not-for-profit Vermont corporation providing health education and promotion programs aimed at improving the health status of the Windsor community. MAHHC and its subsidiaries have a fiscal year end of September 30th.

Effective March 2, 2015 D-HH became the sole corporate member of The Cheshire Medical Center (Cheshire) through an affiliation agreement. Cheshire is a not-for-profit acute care hospital providing inpatient and outpatient services to the residents of Merrimack and Sullivan counties. Cheshire is the sole corporate member of The Cheshire Health Foundation (Cheshire Foundation), a not-for-profit corporation that carries on fundraising activities and manages related investments. Cheshire and Cheshire Foundation have a fiscal year end of June 30th. The D-HH's 2015 consolidated financial statements reflect four months of activity for Cheshire and Cheshire Foundation beginning March 2, 2015.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, The Health System recorded contribution income of approximately \$128,147,000 reflecting the fair value of the contributed net assets of MAHHC and Cheshire and their subsidiaries on the transaction dates. Of this amount, \$92,499,000 represents unrestricted net assets and is included as a nonoperating gain in the accompanying consolidated statements of operations. Restricted contribution income of \$19,038,000 and \$16,610,000 was recorded within temporarily and permanently restricted net assets, respectively, in the accompanying consolidated statements of changes in net assets. No consideration was exchanged for the net assets contributed and acquisition costs are expensed as incurred.

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The fair value of assets, liabilities, and net assets contributed by MAHHC and Cheshire and their subsidiaries at July 1, 2014 and March 2, 2015 were as follows:

(in thousands)

	MAHHC	Cheshire	Total
Assets			
Cash and cash equivalents	\$ 4,159	\$ 25,755	29,914
Patient accounts receivable, net	7,063	13,014	20,077
Prepaid expenses and other current assets	1,368	3,345	4,713
Assets limited as to use	15,168	46,440	61,608
Property, plant, and equipment, net	17,644	81,275	98,919
Other assets	2,398	5,698	8,096
Total assets acquired	<u>\$ 47,800</u>	<u>\$ 175,527</u>	<u>223,327</u>
Liabilities			
Accounts payable and accrued expenses	\$ 2,174	\$ 19,709	21,883
Accrued compensation and related benefits	2,590	5,016	7,606
Estimated third-party settlements	3,285	-	3,285
Long-term debt	10,213	29,052	39,265
Interest rate swaps	431	-	431
Other liabilities	6,693	16,017	22,710
Total liabilities assumed	<u>25,386</u>	<u>69,794</u>	<u>95,180</u>
Net Assets			
Unrestricted	15,672	76,827	92,499
Temporarily restricted	752	18,286	19,038
Permanently restricted	5,990	10,620	16,610
Total net assets	<u>22,414</u>	<u>105,733</u>	<u>128,147</u>
Total liabilities and net assets	<u>\$ 47,800</u>	<u>\$ 175,527</u>	<u>223,327</u>

A summary of the financial results of MAHHC and Cheshire and their subsidiaries included in the consolidated statements of operations and changes in net assets for the period from the dates of acquisition, July 1, 2014 and March 2, 2015 through June 30, 2015 is as follows:

(in thousands)

	MAHHC	Cheshire	Total
Total operating revenues	\$ 49,628	\$ 53,824	\$ 103,452
Total operating expenses	51,098	55,288	106,386
Operating loss	(1,470)	(1,464)	(2,934)
Nonoperating gains	117	452	569
Deficit of revenues over expenses	(1,353)	(1,012)	(2,365)
Net assets released from restriction used for capital purchases	679	1,010	1,689
Change in funded status of pension and other postretirement benefits	(790)	2,875	2,085
Change in fair value on interest rate swaps	159	-	159
Net assets transferred from affiliate	15,672	76,827	92,499
Increase in unrestricted net assets	<u>\$ 14,367</u>	<u>\$ 79,700</u>	<u>\$ 94,067</u>

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A summary of the consolidated financial results of the Health System for the years ended June 30, 2015 and 2014 as if the transactions had occurred on July 1, 2013 is as follows (unaudited):

(in thousands)

	2015	2014
Total operating revenues	\$ 1,658,250	\$ 1,595,128
Total operating expenses	<u>1,671,124</u>	<u>1,572,044</u>
Operating (loss) gain	(12,874)	23,084
Nonoperating gains	<u>81,277</u>	<u>90,522</u>
Excess of revenues over expenses	68,403	113,606
Net assets released from restriction used for capital purchases	2,411	790
Change in funded status of pension and other post retirement benefits	(65,128)	20,017
Change in fair value on interest rate swaps	<u>(931)</u>	<u>1,538</u>
Increase in unrestricted net assets	<u>\$ 4,755</u>	<u>\$ 135,951</u>

4. Patient Service Revenue and Accounts Receivable

Patient service revenue is reported net of contractual allowances and the provision for bad debts as follows for the years ended June 30, 2015 and 2014:

(in thousands of dollars)

	2015	2014
Gross patient service revenue	\$ 3,656,514	\$ 3,235,142
Less: Contractual allowances	2,258,393	1,957,688
Less: Provision for bad debt	<u>17,562</u>	<u>47,606</u>
Net patient service revenue	<u>\$ 1,380,559</u>	<u>\$ 1,229,848</u>

Accounts receivable are reduced by an allowance for estimated uncollectibles. In evaluating the collectability of accounts receivable, the Health System analyzes past collection history and identifies trends for several categories of self-pay accounts (uninsured, residual balances, pre-collection accounts and charity) to estimate the appropriate allowance percentages in establishing the allowance for bad debt expense. Management performs collection rate look-back analyses on a quarterly basis to evaluate the sufficiency of the allowance for estimated uncollectibles. Throughout the year, after all reasonable collection efforts have been exhausted, the difference between the standard rates and the amounts actually collected, including contractual adjustments and uninsured discounts, will be written off against the allowance for estimated uncollectibles. In addition to the review of the categories of revenue, management monitors the write offs against established allowances as of a point in time to determine the appropriateness of the underlying assumptions used in estimating the allowance for estimated uncollectibles.

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Accounts receivable, prior to adjustment for estimated uncollectibles, are summarized as follows at June 30, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015	2014
Receivables		
Patients	\$ 123,881	\$ 156,967
Third-party payors	171,141	150,258
Nonpatient	1,782	1,785
	<u>\$ 296,804</u>	<u>\$ 309,010</u>

The allowance for estimated uncollectibles is \$92,532,000 and \$124,404,000 as of June 30, 2015 and 2014.

The following table categorizes payors into five groups and their respective percentages of gross patient service revenue for the years ended June 30, 2015 and 2014:

	2015	2014
Medicare	40 %	39 %
Anthem/Blue Cross	21	20
Commercial insurance	20	21
Medicaid	15	13
Self-pay/Other	4	7
	<u>100 %</u>	<u>100 %</u>

The Health System has agreements with third-party payors that provide for payments at amounts different from their established rates. A summary of the acute care payment arrangements in effect during the years ended June 30, 2015 and 2014 with major third-party payors follows:

Medicare:

The Health System's inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively-determined rates per discharge. These rates vary according to a patient classification system that is based on 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. Under the system, outpatient services are reimbursed based on a pre-determined amount for each outpatient procedure, subject to various mandatory modifications. The Health System is reimbursed during the year for services to Medicare beneficiaries based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subsequent audit of this report by the Medicare fiscal intermediary.

Certain of the Health System's affiliates qualify as Critical Access Hospitals (CAH), which are reimbursed by Medicare at 101% of reasonable costs for inpatient acute, swing bed, and outpatient services, excluding ambulance services and inpatient hospice care. They are reimbursed at an interim rate for cost based services with a final settlement determined by the Medicare Cost Report filing. The nursing home is not impacted by CAH designation. Medicare reimburses nursing home care based on an acuity driven prospective payment system with no retrospective settlement.

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Medicaid:

The Health System's payments for inpatient services rendered to NH Medicaid beneficiaries are based on a prospective payment system, while outpatient services are reimbursed on a retrospective cost basis or fee schedules. NH Medicaid Outpatient Direct Medical Education costs are reimbursed, as a pass-through, based on the filing of the Medicare cost report. Payment for inpatient and outpatient services rendered to VT Medicaid beneficiaries are based on prospective payment systems and the skilled nursing facility is reimbursed on a prospectively determined per diem rate.

During the years ended June 30, 2015 and 2014, the Health System recorded State of NH Medicaid Enhancement Tax (MET) expense of \$51,996,000 and \$34,488,000, respectively. The tax is calculated at 5.5% of certain gross patient revenues in accordance with instructions received from the State of NH. The MET expense is included in operating expenses in the consolidated statements of operations and changes in net assets.

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 "SB 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 Medicaid Enhancement Tax Agreement Effective July 1, 2014, a "Trust / Lock Box" dedicated fund mechanism will be established for receipt and distribution of all MET proceeds with all monies used exclusively to support Medicaid services. During the years ended June 30, 2015 and 2014, the Health System received disproportionate share hospital (DSH) payments of \$10,152,016 and \$12,631,782, respectively.

The Health Information Technology for Economic and Clinical Health (HITECH) Act included in the American Recovery and Reinvestment Act (ARRA) provides incentives for the adoption and use of health information technology by Medicare and Medicaid providers and eligible professionals over the next several years with an anticipated end date of December 31, 2016, depending on the program. The Health System has recognized \$4,175,164 and \$6,833,075 in meaningful use incentives for both the Medicare and Vermont Medicaid programs during the years ended June 30, 2015 and 2014, respectively.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties and exclusion from the Medicare and Medicaid programs.

Other:

For services provided to patients with commercial insurance the Health System receives payment for inpatient services at prospectively determined rates-per-discharge, prospectively determined per diem rates or a percentage of established charges. Outpatient services are reimbursed on a fee schedule or at a discount from established charges.

Nonacute and physician services are paid at various rates under different arrangements with governmental payors, commercial insurance carriers and health maintenance organizations. The basis for payments under these arrangements includes prospectively determined per visit rates, discounts from established charges, fee schedules, and reasonable cost subject to limitations.

The Health System has provided for its estimated final settlements with all payors based upon applicable contracts and reimbursement legislation and timing in effect for all open years (2007 -

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2015). The differences between the amounts provided and the actual final settlement, if any, is recorded as an adjustment to net patient service revenue as amounts become known or as years are no longer subject to audits, reviews and investigations. During 2015 and 2014, changes in estimates related to the Health System's settlements with third-party payors resulted in increases in net patient service revenue of approximately \$5,550,206 and \$4,076,601, respectively, in the consolidated statements of operations and changes in net assets.

5. Investments

The composition of investments at June 30, 2015 and 2014 is set forth in the following table:

<i>(in thousands of dollars)</i>	2015	2014
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	\$ 8,475	\$ 7,463
U.S. government securities	36,634	36,930
Domestic corporate debt securities	80,254	83,224
Global debt securities	111,156	126,451
Domestic equities	106,350	111,970
International equities	69,965	54,778
Emerging markets equities	36,591	40,344
REIT	621	-
Private equity funds	26,843	25,146
Hedge funds	56,590	50,370
	<u>533,479</u>	<u>536,676</u>
Investments held by captive insurance companies (Note 12)		
U.S. government securities	27,730	45,897
Domestic corporate debt securities	32,017	22,005
Global debt securities	4,883	3,770
Domestic equities	7,669	7,286
International equities	12,869	13,058
	<u>85,168</u>	<u>92,016</u>
Held by trustee under indenture agreement (Note 10)		
Cash and short-term investments	1,778	493
Total assets limited as to use	<u>\$ 620,425</u>	<u>\$ 629,185</u>

<i>(in thousands of dollars)</i>	2015	2014
Other investments for restricted activities		
Cash and short-term investments	\$ 5,448	\$ 4,215
U.S. government securities	19,730	13,872
Domestic corporate debt securities	34,548	26,689
Global debt securities	18,947	19,034
Domestic equities	18,354	15,901
International equities	14,777	7,461
Emerging markets equities	5,077	5,162
REIT	533	-
Private equity funds	3,653	3,101
Hedge funds	10,921	6,212
Other	28	28
Total other investments for restricted activities	<u>\$ 132,016</u>	<u>\$ 101,675</u>

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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 when debt securities or 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 non-distressed basis.

The following tables summarize the investments by the accounting method utilized, as of June 30, 2015 and 2014. Accounting standards require disclosure of additional information for those securities accounted for using the fair value method, as shown in Note 7.

<i>(in thousands of dollars)</i>	2015		
	Fair Value	Equity	Total
Cash and short-term investments	\$ 15,700	\$ -	\$ 15,700
U.S. government securities	84,095	-	84,095
Domestic corporate debt securities	115,698	31,121	146,819
Global debt securities	54,193	80,792	134,985
Domestic equities	119,883	12,491	132,374
International equities	25,790	71,822	97,612
Emerging markets equities	95	41,571	41,666
REIT	-	1,154	1,154
Private equity funds	-	30,496	30,496
Hedge funds	-	67,512	67,512
Other	28	-	28
	<u>\$ 415,482</u>	<u>\$ 336,959</u>	<u>\$ 752,441</u>

<i>(in thousands of dollars)</i>	2014		
	Fair Value	Equity	Total
Cash and short-term investments	\$ 12,171	\$ -	\$ 12,171
U.S. government securities	96,699	-	96,699
Domestic corporate debt securities	101,467	30,451	131,918
Global debt securities	67,544	81,711	149,255
Domestic equities	123,620	11,537	135,157
International equities	13,763	61,534	75,297
Emerging markets equities	185	45,321	45,506
Private equity funds	-	28,247	28,247
Hedge funds	-	56,582	56,582
Other	28	-	28
	<u>\$ 415,477</u>	<u>\$ 315,383</u>	<u>\$ 730,860</u>

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Investment income (losses) is comprised of the following for the years ended June 30, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015	2014
Unrestricted		
Interest and dividend income, net	\$ 7,927	\$ 5,241
Net realized gains on sales of securities	12,432	15,464
Change in net unrealized gains on investments	<u>(28,824)</u>	<u>38,685</u>
	<u>(8,465)</u>	<u>59,390</u>
Temporarily restricted		
Interest and dividend income, net	1,151	294
Net realized gains on sales of securities	646	877
Change in net unrealized gains on investments	<u>(1,619)</u>	<u>2,998</u>
	<u>178</u>	<u>4,169</u>
	<u>\$ (8,287)</u>	<u>\$ 63,559</u>

For the years ended June 30, 2015 and 2014 unrestricted investment income (losses) is reflected in the accompanying consolidated statements of operations and changes in net assets as operating revenue of approximately \$2,550,000 and \$2,586,000 and as nonoperating (losses) gains of approximately (\$11,015,000) and \$56,804,000, 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, 2015 and 2014, the Health System has committed to contribute approximately \$105,782,000 and \$101,285,000 to such funds, of which the Health System has contributed approximately \$66,918,000 and \$67,206,000 and has outstanding commitments of \$38,864,000 and 34,079,000, respectively.

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6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015	2014
Land	\$ 29,558	\$ 25,839
Land improvements	31,750	30,450
Buildings and improvements	714,689	619,243
Equipment	590,501	507,077
Equipment under capital leases	17,824	16,128
	<u>1,384,322</u>	<u>1,198,737</u>
Less: Accumulated depreciation and amortization	818,816	729,757
Total depreciable assets, net	565,506	468,980
Construction in progress	35,849	15,773
	<u>\$ 601,355</u>	<u>\$ 484,753</u>

As of June 30, 2015 and 2014 construction in progress primarily consists of the construction of the Williamson Research building in Lebanon, NH and the renovation for new inpatient and outpatient rehabilitation space at MAHHC. The estimated cost to complete these projects is \$8,425,000 and \$13,250,000 at June 30, 2015 and 2014, respectively.

Depreciation and amortization expense included in operating and nonoperating activities was approximately \$67,414,000 and \$58,216,000 for 2015 and 2014, 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 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).

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Interest rate swaps: The fair value of interest rate swaps, are determined using the present value of the fixed and floating legs of the swaps. Each series of cash flows are discounted by observable market interest rate curves and credit risk.

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 management 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, 2015 and 2014:

(in thousands of dollars)	2015				Redemption or Liquidation	Days' Notice
	Level 1	Level 2	Level 3	Total		
Assets						
Investments						
Cash and short term investments	\$ 15,700	\$ -	\$ -	\$ 15,700	Daily	1
U.S. government securities	84,095	-	-	84,095	Daily	1
Domestic corporate debt securities	34,671	81,027	-	115,698	Daily-Monthly	1-15
Global debt securities	44,107	10,086	-	54,193	Daily-Monthly	1-15
Domestic equities	119,883	-	-	119,883	Daily-Monthly	1-10
International equities	25,790	-	-	25,790	Daily-Monthly	1-11
Emerging market equities	95	-	-	95	Daily-Monthly	1-7
Other	-	28	-	28	Not applicable	Not applicable
Total investments	324,341	91,141	-	415,482		
Deferred compensation plan assets						
Cash and short-term investments	2,988	-	-	2,988		
U.S. government securities	46	-	-	46		
Domestic corporate debt securities	5,765	-	-	5,765		
Global debt securities	748	-	-	748		
Domestic equities	21,861	-	-	21,861		
International equities	8,808	-	-	8,808		
Emerging market equities	2,232	-	-	2,232		
Real Estate	1,874	-	-	1,874		
Multi Strategy Fund	8,155	-	-	8,155		
Guaranteed Contract	-	-	78	78		
Total deferred compensation plan assets	52,477	-	78	52,555	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,345	9,345	Not applicable	Not applicable
Total assets	\$ 376,818	\$ 91,141	\$ 9,423	\$ 477,382		
Liabilities						
Interest rate swaps	\$ -	\$ 24,740	\$ -	\$ 24,740	Not applicable	Not applicable
Total liabilities	\$ -	\$ 24,740	\$ -	\$ 24,740		

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<i>(in thousands of dollars)</i>	2014				Redemption or Liquidation	Days' Notice
	Level 1	Level 2	Level 3	Total		
Assets						
Investments						
Cash and short term investments	11,144	\$ 1,027	\$ -	\$ 12,171	Daily	1
U.S. government securities	96,699	-	-	96,699	Daily	1
Domestic corporate debt securities	33,201	68,266	-	101,467	Daily-Monthly	1-15
Global debt securities	57,911	9,633	-	67,544	Daily-Monthly	1-15
Domestic equities	123,620	-	-	123,620	Daily-Monthly	1-10
International equities	13,763	-	-	13,763	Daily-Monthly	1-11
Emerging market equities	185	-	-	185	Daily-Monthly	1-7
Other	-	28	-	28	Not applicable	Not applicable
Total investments	336,523	78,954	-	415,477		
Deferred compensation plan assets						
Cash and short-term investments	2,753	26	-	2,779		
U.S. government securities	80	-	-	80		
Domestic corporate debt securities	4,798	-	-	4,798		
Global debt securities	835	-	-	835		
Domestic equities	19,318	-	-	19,318		
International equities	8,735	-	-	8,735		
Emerging market equities	2,198	-	-	2,198		
Real Estate	1,665	-	-	1,665		
Multi Strategy Fund	6,079	-	-	6,079		
Guaranteed Contract	-	-	75	75		
Total deferred compensation plan assets	46,461	26	75	46,562	Not applicable	Not applicable
Beneficial interest in trusts	-	-	1,909	1,909	Not applicable	Not applicable
Contribution receivable from charitable	-	-	-	-		
Remainder trust	-	-	2,118	2,118	Not applicable	Not applicable
Total assets	\$ 382,984	\$ 78,980	\$ 4,102	\$ 466,066		
Liabilities						
Interest rate swaps	\$ -	\$ 24,413	\$ -	\$ 24,413	Not applicable	Not applicable
Total liabilities	\$ -	\$ 24,413	\$ -	\$ 24,413		

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

	2015			
	Beneficial Interest in Perpetual Trust	Contribution Receivable From Charitable Remainder Trust	Guaranteed Contract	Total
Balance at beginning of year	\$ 1,909	\$ 2,118	\$ 75	\$ 4,102
Purchases	-	-	3	3
Sales	-	(2,118)	-	(2,118)
Net unrealized gains (losses)	(198)	-	-	(198)
Net asset transfer from affiliate	7,634	-	-	7,634
Balance at end of year	\$ 9,345	\$ -	\$ 78	\$ 9,423

	2014			
	Beneficial Interest in Perpetual Trust	Contribution Receivable From Charitable Remainder Trust	Guaranteed Contract	Total
Balance at beginning of year	\$ 1,823	\$ -	\$ 72	\$ 1,895
Purchases	-	2,118	-	2,118
Net unrealized gains (losses)	86	-	3	89
Balance at end of year	\$ 1,909	\$ 2,118	\$ 75	\$ 4,102

There were no transfers into and out of Level 1 and Level 2 measurements due to changes in valuation methodologies during the years ended June 30, 2015 and 2014.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Healthcare services	\$ 30,368	\$ 28,210
Research	16,376	22,699
Purchase of equipment	2,483	2,681
Charity care	16,354	1,511
Health education	9,181	7,688
Other	1,695	1,875
	\$ 76,457	\$ 64,664

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Permanently restricted net assets consist of the following at June 30, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015	2014
Healthcare services	\$ 25,015	\$ 15,935
Research	7,689	7,634
Purchase of equipment	6,291	4,675
Charity care	5,609	2,874
Health education	8,454	5,129
Other	23	22
	<u>\$ 53,081</u>	<u>\$ 36,269</u>

Income earned on permanently restricted net assets is available for these purposes.

9. Board Designated and Endowment Funds

Net assets include approximately 60 individual 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 Act (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 classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, 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.

Unrestricted net assets 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. Temporarily restricted net assets 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 temporary restrictions on these funds have been met, the funds are reclassified to unrestricted net assets.

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

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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, 2015 and 2014.

Endowment net asset composition by type of fund consists of the following at June 30, 2015 and 2014:

	2015			
<i>(in thousands of dollars)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 28,296	\$ 44,491	\$ 72,787
Board-designated endowment funds	26,405	-	-	26,405
Total endowed net assets	<u>\$ 26,405</u>	<u>\$ 28,296</u>	<u>\$ 44,491</u>	<u>\$ 99,192</u>

	2014			
<i>(in thousands of dollars)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 13,738	\$ 34,360	\$ 48,098
Board-designated endowment funds	19,834	-	-	19,834
Total endowed net assets	<u>\$ 19,834</u>	<u>\$ 13,738</u>	<u>\$ 34,360</u>	<u>\$ 67,932</u>

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Changes in endowment net assets for the years ended June 30, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at beginning of year	\$ 19,834	\$ 13,738	\$ 34,360	\$ 67,932
Net investment return	143	(223)	1	(79)
Contributions	-	974	254	1,228
Transfers	-	(370)	158	(212)
Release of appropriated funds	(664)	(2,425)	(46)	(3,135)
Net asset transfer from affiliates	7,092	16,602	9,764	33,458
Balances at end of year	<u>\$ 26,405</u>	<u>\$ 28,296</u>	<u>44,491</u>	<u>\$ 99,192</u>
Balances at end of year			44,491	
Beneficial interest in perpetual trust			8,590	
Permanently restricted net assets			<u>\$ 53,081</u>	

<i>(in thousands of dollars)</i>	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at beginning of year	\$ 19,304	\$ 11,672	\$ 31,255	\$ 62,231
Net investment return	341	3,457	-	3,798
Contributions	-	42	809	851
Transfers	450	(280)	243	413
Release of appropriated funds	(261)	(1,539)	-	(1,800)
Net asset transfer from affiliates	-	386	2,053	2,439
Balances at end of year	<u>\$ 19,834</u>	<u>\$ 13,738</u>	<u>34,360</u>	<u>\$ 67,932</u>
Balances at end of year			34,360	
Beneficial interest in perpetual trust			1,909	
Permanently restricted net assets			<u>\$ 36,269</u>	

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10. Long-Term Debt

A summary of long-term debt at June 30, 2015 and 2014 follows:

<i>(in thousands of dollars)</i>	2015	2014
Variable rate issues		
New Hampshire Health and Education Facilities		
Authority Revenue Bonds		
Series 2013, principal maturing in varying annual amounts, through August 2043 (9)*	\$ 17,668	\$ 17,923
Series 2011, principal maturing in varying annual amounts, through August 2031 (4)	90,005	93,395
Vermont Educational and Health Buildings Financing Agency (VEHFBA) Revenue Bonds		
Series 2010A, principal maturing in varying annual amounts, through August 2030 (8)*	8,182	-
Fixed rate issues		
New Hampshire Health and Education Facilities		
Authority Revenue Bonds		
Series 2014A, principal maturing in varying annual amounts, through August 2022 (1)	26,960	-
Series 2014B, principal maturing in varying annual amounts, through August 2033 (1)	14,530	-
Series 2012A, principal maturing in varying annual amounts, through August 2031 (2)	73,725	74,695
Series 2012B, principal maturing in varying annual amounts, through August 2031 (2)	40,455	40,990
Series 2012, principal maturing in varying annual amounts, through July 2039 (7)*	28,818	-
Series 2010, principal maturing in varying annual amounts, through August 2040 (5)	75,000	75,000
Series 2009, principal maturing in varying annual amounts, through August 2038 (6)	68,970	115,225
* Represents non-obligated group bonds		
Other		
Series 2012, principal maturing in varying annual amounts, through July 2019 (3)	144,000	146,000
Obligations under capital leases	3,369	2,086
Note payable to a financial institution payable in interest free monthly installments through July 2015; collateralized by associated equipment	4	56
Note payable to a financial institution due in monthly interest only payments from October 2011 through September 2012, and monthly installments from October 2016 through 2016, including principal and interest at 3.25%; collateralized by savings account	1,915	-
Note payable to a financial institution payable in interest free entire principal due June 2029 collateralized by land and building	555	-
	<u>594,156</u>	<u>565,370</u>
Less		
Original issue discount, net	1,493	1,386
Current portion	17,179	13,281
	<u>\$ 575,484</u>	<u>\$ 550,703</u>

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

<i>(in thousands of dollars)</i>	2015
2016	\$ 17,179
2017	17,493
2018	17,971
2019	18,280
2020	143,235
Thereafter	379,998
	<u>\$ 594,156</u>

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 MHMH and DHC.

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 of which are the Maximum Annual Debt Service Coverage Ratio (1.10x) and the Days Cash on Hand Ratio (> 75 days).

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

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2014A and Series 2014B in August 2014. The proceeds from the Series 2014A and 2014B 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.

(2) Series 2012A and 2012B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2012A and Series 2012B in November 2012. The proceeds from the Series 2012A and 2012B were used to advance refund the Series 2002 Revenue Bonds and to cover cost of issuance. Interest on the 2012A Revenue Bonds is fixed with an interest rate of 2.29% and matures at various dates through 2031. Interest on the Series 2012B Revenue Bonds is fixed with an interest rate of 2.33% and matures at various dates through 2031.

(3) Series 2012 Bank Loan

Through the DHOG, issued the Bank of America, N.A. Series 2012 note, in July 2012. The proceeds from the Series 2012 note were used to prefund the D-H defined benefit pension plan. Interest on the Series 2012 note accrues at a fixed rate of 2.47% and matures at various dates through 2019.

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(4) Series 2011 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2011 in August 2011. The proceeds from the Series 2011 Revenue Bonds were primarily used to advance refund the Series 2001A Revenue Bonds. The Series 2011 Revenue Bonds accrue interest variably and mature at various dates through 2031 based on the one-month London Interbank Offered Rate (LIBOR). The variable rate as of June 30, 2015 and 2014 was 1.04% and 1.01%, respectively. The Series 2011 Bonds are callable by the bank upon the end of seven years, or may be renegotiated at that time.

(5) Series 2010 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2010, in June 2010. The proceeds from the Series 2010 Revenue Bonds were primarily used to construct a 140,000 square foot ambulatory care facility in Nashua, NH as well as various equipment. Interest on the bonds accrue at a fixed rate of 5.00% and mature at various dates through August 2040.

(6) Series 2009 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2009, in August 2009. The proceeds from the Series 2009 Revenue Bonds were primarily used to advance refund the Series 2008 Revenue Bonds. Interest on the Series 2009 Revenue Bonds accrue at varying fixed rates between 3.00% and 6.00% and mature at various dates through August 2038.

Outstanding joint and several indebtedness of the DHOG at June 30, 2015 and 2014 approximates \$533,645,000 and \$545,305,000, respectively.

Non Obligated Group Bonds:

(7) Series 2012 Revenue Bonds

Issued through the NHHEFA \$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 are collateralized by an interest in its gross receipts under the terms of the bond agreement. The bonds have fixed interest coupon rates ranging from 2.0% to 5.0% (a net interest cost of 3.96%). Principal is payable in annual installments ranging from \$735,000 to \$1,750,000 through July 2039.

(8) Series 2010A Revenue Bonds

Issued through the VEHBFA \$9,244,000 of Revenue Bonds (Series 2010A). The funds were used to refund 2004 and 2005 Series A Bonds. The bonds are collateralized by gross receipts. The bonds shall bear interest at the one-month LIBOR rate plus 3.50%, multiplied by 6% adjusting monthly. The interest rate at June 30, 2015 was 2.29%. The bonds were purchased by TD Bank. Principal payments began on April 1, 2010 for a period of 20 years ranging in amounts from \$228,000 in 2014 to \$207,000 in 2030.

(9) Series 2013 Revenue Bonds

Issued through the NHHEFA \$15,520,000 tax exempt Revenue Bonds (Series 2013). The funds were used to refund Series 2007 Revenue Bonds, and for the construction of a new health center building in Newport, NH. The bonds are collateralized by the gross receipts and property. The bonds mature in variable amounts through 2043, the maturity date of the bonds, but are subject to mandatory tender in ten years. Interest is payable monthly and is equal to the sum of .72 times

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the Adjusted LIBOR Rate plus .72 times the credit spread rate. As part of the bond refinancing, the swap arrangement was effectively terminated for federal tax purposes with respect to the Series 2007 Revenue Bonds but remains in effect.

The estimated fair value of the Health Systems total long-term debt as of June 30, 2015 and 2014 was approximately \$606,772,000 and \$555,500,000, respectively, which was determined by discounting the future cash flows of each instrument at rates that reflect rates currently observed in publicly traded debt markets for debt of similar terms to organizations with comparable credit risk. The inputs to the assumptions used to determine the estimated fair value are based on observable inputs and are classified as level 2. For variable rate debt, the carrying value is equal to the fair value.

The Health System Indenture agreements require establishment and maintenance of debt service reserves and other trustee held funds. Trustee held funds of approximately \$1,778,000 and \$493,000 at June 30, 2015 and 2014, respectively, are classified as assets limited as to use in the accompanying consolidated balance sheets.

For the years ended June 30, 2015 and 2014 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 \$18,442,000 and \$18,436,000 and is included in other nonoperating losses of \$3,449,000 and \$3,669,000, 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.

A summary of the Health System's derivative financial instruments is as follows:

- A Fixed Payor Swap, designed as a cash flow hedge of the NHHEFA Series 2011 Revenue Bonds. The Swap had an initial notional amount of \$91,040,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 4.56% in exchange for the counterparty's payment of 67% of USD-LIBOR-BBA. The Swap's term matches that of the associated bonds.
- An Interest Rate Swap to hedge the interest rate risk associated with the NHHEFA Series 2013 Revenue Bonds. The Swap had an initial notional amount of \$15,000,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 3.94% in exchange for the counterparty's payment at 67% of USD-LIBOR-BBA. The Swap term matches that of the associated bonds.
- An Interest Rate Swap to hedge the interest rate risk associated with the VEHFBA Series 2010A Revenue Bonds. The Swap had an initial notional amount of \$7,244,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 2.41% in exchange for the counterparty's payment of 69% of USD-LIBOR-BBA. The Swap is outstanding until 2017, while the bonds will remain outstanding until 2030.

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The obligation of the Health System to make payments on its bonds with respect to interest is in no way conditional upon the Health System's receipt of payments from the interest rate swap agreement counterparty.

At June 30, 2015 and 2014 the fair value of the Health System's interest rate swaps was a liability of \$24,740,000 and \$24,413,000, respectively. The change in fair value during the years ended June 30, 2015 and 2014 was a (decrease)/increase of (\$931,000) and \$1,538,000, respectively. For the years ended June 30, 2015 and 2014 the Health System recognized a non-operating gain/ (loss) of \$1,035,000 and (\$570,000) 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 affiliates 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 or have been approved by the applicable Board of Trustees to be frozen by December 31, 2017. Effective with that date, the last of the participants earning benefits in any of the Health System's defined benefit plans will no longer earn benefits under the plans.

The Health System continued to execute the settlement of obligations due to retirees in the deferred 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, 2015 and 2014:

(in thousands of dollars)

	2015	2014
Service cost for benefits earned during the year	\$ 12,257	\$ 12,122
Interest cost on projected benefit obligation	42,276	41,821
Expected return on plan assets	(60,458)	(55,177)
Net prior service cost	380	380
Net loss amortization	21,133	17,285
Curtailment	56	-
	<u>\$ 15,644</u>	<u>\$ 16,431</u>

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

The following assumptions were used to determine net periodic pension expense as of June 30, 2015 and 2014:

	2015	2014
Weighted average discount rate	4.40 % - 4.90 %	5.50 %
Rate of increase in compensation	Age Graded/0.00 % - 2.50 %	Age Graded
Expected long-term rate of return on plan assets	7.50 % - 7.75 %	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, 2015 and 2014:

(in thousands of dollars)

	2015	2014
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 877,082	\$ 812,374
Additional benefit obligation		
resulting from new affiliations	95,314	-
Total benefit obligation at beginning of year	<u>972,396</u>	<u>812,374</u>
Service cost	12,257	12,122
Interest cost	42,276	41,821
Benefits paid	(34,803)	(31,467)
Expenses paid	(139)	-
Actuarial (gain) loss	41,135	94,207
Settlements	(44,979)	(51,975)
Benefit obligation at end of year	<u>988,143</u>	<u>877,082</u>
Change in plan assets		
Fair value of plan assets at beginning of year	783,890	718,064
Additional plan assets at fair value		
resulting from new affiliations	77,608	-
Total fair value of plan assets at beginning of year	<u>861,498</u>	<u>718,064</u>
Actual return on plan assets	25,473	112,218
Benefits paid	(34,803)	(31,467)
Expenses paid	(139)	-
Employer contributions	38,002	37,050
Settlements	(44,979)	(51,975)
Fair value of plan assets at end of year	<u>845,052</u>	<u>783,890</u>
Funded status of the plans	(143,091)	(93,192)
Current portion of liability for pension	(2,758)	(46)
Long term portion of liability for pension	<u>(140,333)</u>	<u>(93,146)</u>
Liability for pension	<u>\$ (143,091)</u>	<u>\$ (93,192)</u>

For the years ended June 30, 2015 and 2014 the liability for pension is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Amounts not yet reflected in net periodic pension expense and included in the change in unrestricted net assets as of June 30, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015	2014
Net actuarial loss	\$ 368,959	\$ 311,084
Prior service cost	608	989
	<u>\$ 369,567</u>	<u>\$ 312,073</u>

The estimated amounts that will be amortized from unrestricted net assets into net periodic pension expense in 2016 are as follows:

<i>(in thousands of dollars)</i>	
Unrecognized prior service cost	\$ 380
Net actuarial loss	26,098
	<u>\$ 26,478</u>

The accumulated benefit obligation for the defined benefit pension plans was approximately \$971,193,000 and \$856,673,000 at June 30, 2015 and 2014, respectively.

The following table sets forth the assumptions used to determine the benefit obligation at June 30, 2015 and 2014:

	2015	2014
Weighted average discount rate	4.90 % - 5.00 %	4.90 %
Rate of increase in compensation	Age Graded/0.00 % - 2.50 %	Age Graded
Expected long-term rate of return on plan assets	7.50 % - 7.75 %	7.75 %

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 June 30, 2015 and 2014, it is expected that the LDI strategy will hedge approximately 65% and 70%, respectively, 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.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

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 %	2 %
U.S. government securities	0-5	1
Domestic debt securities	20-58	42
Global debt securities	6-26	10
Domestic equities	5-35	18
International equities	5-15	10
Emerging market equities	3-13	5
REIT Funds	0-5	-
Private equity funds	0-5	-
Hedge funds	5-18	12

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 Level 3, even though the underlying securities may not be difficult to value or may be readily marketable.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

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, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015				Redemption or Liquidation	Days' Notice
	Level 1	Level 2	Level 3	Total		
Investments						
Cash and short-term investments	\$ 8,235	\$ 32,876	\$ -	\$ 41,111	Daily	1
U.S. government securities	4,193	-	-	4,193	Daily-Monthly	1-15
Domestic debt securities	85,948	246,352	-	332,300	Daily-Monthly	1-15
Global debt securities	36,532	45,119	-	81,651	Daily-Monthly	1-15
Domestic equities	152,458	16,532	-	168,990	Daily-Monthly	1-10
International equities	15,284	79,659	-	94,943	Daily-Monthly	1-11
Emerging market equities	376	38,237	-	38,613	Daily-Monthly	1-17
REIT Funds	-	1,628	-	1,628	Daily-Monthly	1-17
Private equity funds	-	-	437	437	See Note 7	See Note 7
Hedge funds	-	39,110	42,076	81,186	Quarterly-Annual	60-96
Total investments	\$ 303,026	\$ 499,513	\$ 42,513	\$ 845,052		

<i>(in thousands of dollars)</i>	2014				Redemption or Liquidation	Days' Notice
	Level 1	Level 2	Level 3	Total		
Investments						
Cash and short-term investments	\$ 7,205	\$ 51,347	\$ -	\$ 58,552	Daily	1
Domestic debt securities	74,388	241,679	-	316,067	Daily-Monthly	1-15
Global debt securities	39,591	46,151	-	85,742	Daily-Monthly	1-15
Domestic equities	131,761	10,390	-	142,151	Daily-Monthly	1-10
International equities	-	77,262	-	77,262	Daily-Monthly	1-11
Emerging market equities	-	41,537	-	41,537	Daily-Monthly	1-17
Private equity funds	-	-	3,944	3,944	See Note 7	See Note 7
Hedge funds	-	30,169	28,466	58,635	Quarterly-Annual	60-96
Total investments	\$ 252,945	\$ 498,535	\$ 32,410	\$ 783,890		

The following table presents additional information about the changes in Level 3 assets measured at fair value for the years ended June 30, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015		
	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	\$ 28,466	\$ 3,944	\$ 32,410
Additions resulting from new affiliations	14,362	-	14,362
Sales	(2,391)	(3,168)	(5,559)
Net realized (losses) gains	(246)	258	12
Net unrealized gains	1,885	(597)	1,288
Balances at end of year	\$ 42,076	\$ 437	\$ 42,513

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
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<i>(in thousands of dollars)</i>	2014		
	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	\$ 26,449	\$ 12,761	\$ 39,210
Purchases	-	6	6
Sales	(709)	(9,220)	(9,929)
Net realized (losses) gains	(59)	1,470	1,411
Net unrealized gains	2,785	(1,073)	1,712
Balances at end of year	\$ 28,466	\$ 3,944	\$ 32,410

The total aggregate net unrealized gains (losses) included in the fair value of the Level 3 investments as of June 30, 2015 and 2014 were approximately \$5,234,000 and \$7,187,000, respectively. There were no transfers into and out of Level 3 measurements during the years ended June 30, 2015 and 2014.

There were no transfers into and out of Level 1 and Level 2 measurements due to changes in valuation methodologies during the years ended June 30, 2015 and 2014.

The weighted average asset allocation for the Health System's Plans at June 30, 2015 and 2014 by asset category is as follows:

	2015	2014
Cash and short-term investments	5 %	7 %
Domestic debt securities	39	40
Global debt securities	10	11
Domestic equities	20	18
International equities	11	10
Emerging market equities	5	5
Private equity funds	-	1
Hedge funds	10	8
	<u>100 %</u>	<u>100 %</u>

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 7.75% per annum.

The Health System is expected to contribute approximately \$37,000,000 to the Plans in 2016.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the year ending June 30, 2016 and thereafter:

<i>(in thousands of dollars)</i>	Pension Plans
2016	\$ 37,716
2017	40,158
2018	43,006
2019	46,233
2020	49,955
2021-2025	299,954

Defined Contribution Plans

The Health System has an employer-sponsored 401(a) plan for certain of its affiliates, 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 \$30,204,000 and \$33,068,000 in 2015 and 2014, respectively, are included in employee benefits in the accompanying consolidated statements of operations and changes in net assets.

The Health System also has available to employees of certain affiliates various 403(b) and tax-sheltered annuity plans in which they can participate. Plan specifications vary by affiliate and plan. No employer contributions were made to any of these plans in 2015 and 2014, 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 cost is comprised of the components listed below for the years ended June 30, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015	2014
Service cost	\$ 527	\$ 1,803
Interest cost	2,347	4,411
Amortization of net transition asset	-	7
	<u>\$ 2,874</u>	<u>\$ 6,221</u>

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

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, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015	2014
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 51,006	\$ 84,538
Additional benefit obligation resulting from new affiliations	471	-
	<u>51,477</u>	<u>84,538</u>
Service cost	527	1,803
Interest cost	2,347	4,411
Benefits paid	(5,236)	(5,770)
Actuarial loss	1,323	5,450
Plan amendments	-	(39,426)
Benefit obligation at end of year	<u>50,438</u>	<u>51,006</u>
Funded status of the plans	<u>(50,438)</u>	<u>(51,006)</u>
Current portion of liability for postretirement medical and life benefits	<u>(3,203)</u>	<u>(5,096)</u>
Long term portion of liability for postretirement medical and life benefits	<u>(47,235)</u>	<u>(45,910)</u>
Liability for postretirement medical and life benefits	<u>\$ (50,438)</u>	<u>\$ (51,006)</u>

The plan amendments are primarily related to the Board's decision to offer retiree health care benefits to certain affiliates post-65 retirees and covered post-65 dependents through a private Medicare exchange beginning in April 2015.

For the years ended June 30, 2015 and 2014 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 cost and included in the change in unrestricted net assets are as follows:

<i>(in thousands of dollars)</i>	2015	2014
Net prior service (credit) cost	\$ (33,452)	\$ (39,426)
Net actuarial loss (gain)	10,260	9,559
	<u>\$ (23,192)</u>	<u>\$ (29,867)</u>

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

The estimated amounts that will be amortized from unrestricted net assets into net periodic postretirement expense in 2015 and 2014 are as follows:

<i>(in thousands of dollars)</i>	2015	2014
Net prior service (credit) cost	\$ (5,974)	\$ (5,974)
Net loss (gain)	<u>610</u>	<u>513</u>
	<u>\$ (5,364)</u>	<u>\$ (5,461)</u>

In determining the accumulated postretirement medical and life benefit obligation, the Health System used a discount rate of 4.7% in 2015 and an assumed healthcare cost trend rate of 7.25%, trending down to 4.75% in 2020 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, 2015 and 2014 by \$4,479,000 and \$4,411,000 and the net periodic postretirement medical benefit cost for the years then ended by \$275,000 and \$576,000, 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, 2015 and 2014 by \$3,790,000 and \$3,759,000 and the net periodic postretirement medical benefit cost for the years then ended by \$233,000 and \$649,000, respectively.

12. Professional and General Liability Insurance Coverage

D-H, along with Dartmouth College and The Cheshire Medical Center are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a Vermont captive insurance company. 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. D-H 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.

NLH and MAHHC are covered for malpractice claims under a modified claims-made policy purchased through NEAH. While NLH and MAHHC remain in the current insurance program under this policy, the coverage year is based on the date the claim is filed, subject to a medical incident arising after the retroactive date (includes prior acts). The policy provides modified claims-made coverage for former insured providers for claims that relate to the employee's period of employment at NLH or MAHHC and for services that were provided within the scope of the employee's duties. Therefore, when the employee leaves the corporation, tail coverage is not required.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Selected financial data of HAC and RRG, taken from the latest available audited and unaudited financial statements, respectively at June 30, 2015 and 2014 are summarized as follows:

<i>(in thousands of dollars)</i>	2015		
	HAC <i>(audited)</i>	RRG <i>(unaudited)</i>	Total
Assets	\$ 100,418	\$ 2,289	\$ 102,707
Shareholders' equity	13,620	755	14,375
Net income	-	186	186

<i>(in thousands of dollars)</i>	2014		
	HAC <i>(audited)</i>	RRG <i>(audited)</i>	Total
Assets	\$ 104,644	\$ 1,880	\$ 106,524
Shareholders' equity	13,620	569	14,189
Net income	-	26	26

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 \$10,215,000 and \$9,925,000 for the years ended June 30, 2015 and 2014, respectively. Minimum future lease payments under non-cancelable operating leases at June 30, 2015 were as follows:

<i>(in thousands of dollars)</i>	
2016	\$ 8,272
2017	5,774
2018	3,971
2019	2,583
2020	939
Thereafter	722
	<u>\$ 22,261</u>

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Line 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 \$60,000,000. Interest is variable and determined using LIBOR or the Wall Street Journal Prime Rate. The Loan Agreements are due to expire ranging from December 31, 2015 through May 31, 2016. The Health System has outstanding balances under the lines of credits in the amount of \$1,200,000 and \$0 at June 30, 2015 and 2014, respectively. Interest expense was approximately \$193,000 and \$185,000, respectively, and is included in the consolidated statements of operations and changes in net assets.

14. Functional Expenses

Operating expenses of the Health System by function are as follows for the years ended June 30, 2015 and 2014:

<i>(in thousands of dollars)</i>	2015	2014
Program services	\$ 1,335,316	\$ 1,192,696
Management and general	225,983	172,626
Fundraising	8,037	8,122
	<u>\$ 1,569,336</u>	<u>\$ 1,373,444</u>

15. Subsequent Events

The Health System has assessed the impact of subsequent events through November 27, 2015, 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.

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2015A in September 2015 through a private placement with a financial institution. The Series 2015A Revenue Bonds were primarily used to refinance a portion of the Series 2011 Revenue Bonds. The Series 2015A Revenue Bonds accrue interest variably and mature at various dates through 2032.

Consolidating Supplemental Information

Dartmouth-Hitchcock Health and Subsidiaries
 Consolidating Balance Sheets
 June 30, 2015

	D-HH (parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	Eliminations	Health System Consolidated
<i>(in thousands of dollars)</i>							
Assets							
Current assets							
Cash and cash equivalents	\$ 388	\$ 9,279	\$ 16,525	\$ 7,612	\$ 5,105	\$ -	\$ 38,909
Patient accounts receivable, net	-	177,287	14,053	7,388	5,544	-	204,272
Prepaid expenses and other current assets	11,574	102,954	7,921	3,632	2,616	(28,111)	100,586
Total current assets	11,962	289,520	38,499	18,632	13,265	(28,111)	343,767
Assets limited as to use	-	570,057	23,302	13,412	13,654	-	620,425
Other investments for restricted activities	-	113,117	18,899	-	-	-	132,016
Property, plant, and equipment, net	618	461,044	82,793	37,597	19,303	-	601,355
Other assets	4,263	66,837	10,130	5,451	3,903	(2,134)	88,450
Total assets	\$ 16,843	\$ 1,500,575	\$ 173,623	\$ 75,092	\$ 50,125	\$ (30,245)	\$ 1,786,013
Liabilities and Net Assets							
Current liabilities							
Current portion of long-term debt	\$ -	\$ 15,196	\$ 952	\$ 661	\$ 370	\$ -	\$ 17,179
Line of credit	-	-	-	-	1,200	-	1,200
Current portion of liability for pension and other postretirement plan benefits	-	3,249	2,712	-	-	-	5,961
Accounts payable and accrued expenses	15,708	104,697	20,024	3,843	4,059	(28,110)	120,221
Accrued compensation and related benefits	-	85,064	4,936	2,373	2,491	-	94,864
Estimated third-party settlements	-	26,981	-	6,755	2,883	-	36,599
Total current liabilities	15,708	235,167	28,624	13,632	11,003	(28,110)	276,024
Long-term debt, excluding current portion	-	518,799	28,083	18,020	10,582	-	575,484
Insurance deposits and related liabilities	-	62,356	-	-	-	-	62,356
Interest rate swaps	-	20,937	-	3,531	272	-	24,740
Liability for pension and other postretirement plan benefits, excluding current portion	-	175,948	5,662	-	5,958	-	187,568
Other liabilities	-	51,303	3,671	1,135	-	-	56,109
Total liabilities	15,708	1,064,510	68,040	36,318	27,815	(28,110)	1,182,281
Net assets	1,135	346,900	79,700	34,227	14,367	(2,135)	474,194
Temporarily restricted	-	56,751	17,330	326	2,050	-	76,457
Permanently restricted	-	32,414	10,553	4,221	5,893	-	53,081
Total net assets	1,135	436,065	107,583	38,774	22,310	(2,135)	603,732
Commitments and contingencies							
Total liabilities and net assets	\$ 16,843	\$ 1,500,575	\$ 173,623	\$ 75,092	\$ 50,125	\$ (30,245)	\$ 1,786,013

Dartmouth-Hitchcock and Subsidiaries
Consolidating Balance Sheets
June 30, 2015

(in thousands of dollars)	D-H Obligated Group	THF	DHMC	Eliminations	D-H and Subsidiaries
Assets					
Current assets					
Cash and cash equivalents	\$ 8,252	\$ 182	\$ 845	\$ -	\$ 9,279
Patient accounts receivable, net	177,287	-	-	-	177,287
Prepaid expenses and other current assets	102,425	338	438	(247)	102,954
Total current assets	287,964	520	1,283	(247)	289,520
Assets limited as to use	570,057	-	-	-	570,057
Other investments for restricted activities	89,178	23,941	-	-	113,119
Property, plant, and equipment, net	458,368	1	2,675	-	461,044
Other assets	66,675	3	159	-	66,837
Total assets	\$ 1,472,240	\$ 24,465	\$ 4,117	\$ (247)	\$ 1,500,575
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	\$ 15,196	\$ -	\$ -	\$ -	\$ 15,196
Current portion of liability for pension and other postretirement plan benefits	3,249	-	-	-	3,249
Accounts payable and accrued expenses	102,666	1,536	742	(247)	104,697
Accrued compensation and related benefits	85,084	-	-	-	85,084
Estimated third-party settlements	26,961	-	-	-	26,961
Total current liabilities	233,136	1,536	742	(247)	235,167
Long-term debt, excluding current portion	518,799	-	-	-	518,799
Insurance deposits and related liabilities	62,356	-	-	-	62,356
Interest rate swaps	20,937	-	-	-	20,937
Liability for pension and other postretirement plan benefits, excluding current portion	175,948	-	-	-	175,948
Other liabilities	51,303	-	-	-	51,303
Total liabilities	1,062,479	1,536	742	(247)	1,064,510
Net assets					
Unrestricted	329,168	14,517	3,215	-	346,900
Temporarily restricted	50,297	6,294	160	-	56,751
Permanently restricted	30,296	2,118	-	-	32,414
Total net assets	409,761	22,929	3,375	-	436,065
Commitments and contingencies					
Total liabilities and net assets	\$ 1,472,240	\$ 24,465	\$ 4,117	\$ (247)	\$ 1,500,575

Dartmouth-Hitchcock Health and Subsidiaries
 Consolidating Balance Sheets
 June 30, 2014

(in thousands of dollars)

	D-HH (parent)	D-H and Subsidiaries	NLH and Subsidiaries	Eliminations	Health System Consolidated
Assets					
Current assets					
Cash and cash equivalents	\$ 377	\$ 46,371	\$ 4,179	\$ -	\$ 50,927
Patient accounts receivable, net	-	178,066	6,540	-	184,606
Prepaid expenses and other current assets	4,503	92,807	2,907	(8,915)	91,302
Total current assets	4,880	317,244	13,626	(8,915)	326,835
Assets limited as to use	-	618,393	10,792	-	629,185
Other investments for restricted activities	-	101,675	-	-	101,675
Property, plant, and equipment, net	534	445,118	39,101	-	484,753
Other assets	3,213	62,960	7,870	(1,535)	72,508
Total assets	\$ 8,627	\$ 1,545,390	\$ 71,389	\$ (10,450)	\$ 1,614,956
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	\$ -	\$ 12,487	\$ 794	\$ -	\$ 13,281
Current portion of liability for pension and other postretirement plan benefits	-	5,142	-	-	5,142
Accounts payable and accrued expenses	9,623	89,408	2,907	(8,915)	93,023
Accrued compensation and related benefits	-	76,407	2,188	-	78,575
Estimated third-party settlements	-	25,103	5,574	-	30,677
Total current liabilities	9,623	208,547	11,443	(8,915)	220,688
Long-term debt, excluding current portion	-	532,336	18,367	-	550,703
Insurance deposits and related liabilities	-	68,498	-	-	68,498
Interest rate swaps	-	21,103	3,310	-	24,413
Liability for pension and other postretirement plan benefits, excluding current portion	-	139,056	-	-	139,056
Other liabilities	-	46,568	1,412	-	47,980
Total liabilities	9,623	1,016,108	34,532	(8,915)	1,051,348
Net assets					
Unrestricted	(996)	432,909	32,297	(1,535)	462,675
Temporarily restricted	-	84,346	318	-	84,664
Permanently restricted	-	32,027	4,242	-	36,269
Total net assets	(996)	529,282	36,857	(1,535)	563,608
Commitments and contingencies					
Total liabilities and net assets	\$ 8,627	\$ 1,545,390	\$ 71,389	\$ (10,450)	\$ 1,614,956

Dartmouth-Hitchcock and Subsidiaries
 Consolidating Balance Sheets
 June 30, 2014

	(in thousands of dollars)				
	D-H Obligated Group	THF	DHMC	Eliminations	D-H and Subsidiaries
Assets					
Current assets					
Cash and cash equivalents	\$ 45,438	\$ 213	\$ 720	\$ -	\$ 46,371
Patient accounts receivable, net	178,066	-	-	-	178,066
Prepaid expenses and other current assets	92,372	171	486	(232)	92,807
Total current assets	315,876	384	1,216	(232)	317,244
Assets limited as to use					
Other investments for restricted activities	618,393	-	-	-	618,393
Property, plant, and equipment, net	442,441	2	2,675	-	445,118
Other assets	62,791	10	159	-	62,960
Total assets	\$ 1,517,123	\$ 24,449	\$ 4,050	\$ (232)	\$ 1,545,390
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	\$ 12,487	\$ -	\$ -	\$ -	\$ 12,487
Current portion of liability for pension and other postretirement plan benefits	5,142	-	-	-	5,142
Accounts payable and accrued expenses	87,663	1,304	673	(232)	89,408
Accrued compensation and related benefits	76,407	-	-	-	76,407
Estimated third-party settlements	25,103	-	-	-	25,103
Total current liabilities	206,802	1,304	673	(232)	208,547
Long-term debt, excluding current portion	532,336	-	-	-	532,336
Insurance deposits and related liabilities	68,498	-	-	-	68,498
Interest rate swaps	21,103	-	-	-	21,103
Liability for pension and other postretirement plan benefits, excluding current portion	139,056	-	-	-	139,056
Other liabilities	46,568	-	-	-	46,568
Total liabilities	1,014,363	1,304	673	(232)	1,016,108
Net assets					
Unrestricted	415,333	14,358	3,218	-	432,909
Temporarily restricted	57,518	6,669	159	-	64,346
Permanently restricted	29,909	2,118	-	-	32,027
Total net assets	502,760	23,145	3,377	-	529,282
Commitments and contingencies					
Total liabilities and net assets	\$ 1,517,123	\$ 24,449	\$ 4,050	\$ (232)	\$ 1,545,390

Dartmouth-Hitchcock Health and Subsidiaries
 Consolidating Statements of Operations and Changes in Unrestricted Net Assets
 Year Ended June 30, 2015

(in thousands of dollars)	D-HH (parent)	D-H and Subsidiaries	NLH and Subsidiaries	Cheshire and Subsidiaries	MAHHC and Subsidiaries	Eliminations	Health System Consolidated
Unrestricted revenue and other support							
Net patient service revenue	\$ -	\$ 1,225,872	\$ 56,356	\$ 52,536	\$ 46,102	\$ (307)	\$ 1,380,559
Contracted revenue	-	82,091	-	-	-	(1,256)	80,835
Other operating revenue	12,203	69,663	3,063	1,076	3,526	(6,538)	82,993
Net assets released from restrictions	-	15,314	111	212	-	-	15,637
Total unrestricted revenue and other support	12,203	1,392,940	59,530	53,824	49,628	(8,101)	1,560,024
Operating expenses							
Salaries	960	694,373	27,562	20,949	24,076	8,482	776,402
Employee benefits	263	194,619	5,764	5,724	6,112	1,493	213,975
Medical supplies and medications	139	201,451	5,910	8,712	3,736	19	219,967
Purchased services and other	17,448	168,029	13,206	13,535	11,888	(18,402)	205,704
Medicaid enhancement tax	-	45,839	1,941	2,363	1,853	-	51,996
Depreciation and amortization	75	56,649	4,075	3,436	2,978	-	67,213
Interest	-	16,781	849	357	455	-	18,442
Expenditures relating to net assets released from restrictions	-	15,314	111	212	-	-	15,637
Total operating expenses	18,885	1,393,055	59,418	55,288	51,098	(8,408)	1,569,336
Operating margin (loss)	(6,682)	(115)	112	(1,464)	(1,470)	307	(9,312)
Nonoperating gains (losses)							
Investment (losses) gains	-	(12,011)	625	311	60	-	(11,015)
Other, net	339	(2,880)	1,409	141	57	(307)	(1,241)
Contribution revenue from acquisition	92,499	-	-	-	-	-	92,499
Total nonoperating (losses) gains, net	92,838	(14,891)	2,034	452	117	(307)	80,243
(Deficiency) excess of revenue over expenses	86,156	(15,006)	2,146	(1,012)	(1,353)	-	70,931
Unrestricted net assets							
Net assets released from restrictions (Note B)	-	717	5	1,010	679	-	2,411
Change in funded status of pension and other postretirement benefits	-	(62,977)	-	2,875	(790)	-	(60,892)
Net assets transferred (from) to affiliates	(84,626)	(7,873)	-	76,827	15,672	-	-
Additional paid in capital	600	-	-	-	-	(600)	-
Change in fair value on interest rate swaps	-	(869)	(221)	-	159	-	(931)
(Decrease) increase in unrestricted net assets	\$ 2,130	\$ (86,008)	\$ 1,930	\$ 79,700	\$ 14,367	\$ (600)	\$ 11,519

Dartmouth-Hitchcock and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2015

<i>(in thousands of dollars)</i>	D-H Obligated Group	THF	DHMC	Eliminations	D-H and Subsidiaries
Unrestricted revenue and other support					
Net patient service revenue	\$ 1,225,874	\$ -	\$ -	\$ (2)	\$ 1,225,872
Contracted revenue	81,474	847	-	(230)	82,091
Other operating revenue	64,928	2,356	6,482	(4,103)	69,663
Net assets released from restrictions	14,610	704	-	-	15,314
Total unrestricted revenue and other support	1,386,886	3,907	6,482	(4,335)	1,392,940
Operating expenses					
Salaries	693,407	-	-	966	694,373
Employee benefits	194,467	-	-	152	194,619
Medical supplies and medications	201,458	-	-	(7)	201,451
Purchased services and other	160,088	3,375	6,484	(1,918)	168,029
Medicaid enhancement tax	45,839	-	-	-	45,839
Depreciation and amortization	56,649	-	-	-	56,649
Interest	16,781	-	-	-	16,781
Expenditures relating to net assets released from restrictions	14,610	704	-	-	15,314
Total operating expenses	1,383,299	4,079	6,484	(807)	1,393,055
Operating margin (loss)	3,587	(172)	(2)	(3,528)	(115)
Nonoperating gains (losses)					
Investment (losses) gains	(12,079)	68	-	-	(12,011)
Other, net	(6,408)	-	-	3,528	(2,880)
Total nonoperating (losses) gains, net	(18,487)	68	-	3,528	(14,891)
(Deficiency) excess of revenue over expenses	(14,900)	(104)	(2)	-	(15,006)
Unrestricted net assets					
Net assets released from restrictions (Note 8)	454	263	-	-	717
Change in funded status of pension and other postretirement benefits	(62,977)	-	-	-	(62,977)
Net assets transferred (from) to affiliates	(7,873)	-	-	-	(7,873)
Change in fair value on interest rate swaps	(869)	-	-	-	(869)
(Decrease) increase in unrestricted net assets	\$ (66,165)	\$ 159	\$ (2)	\$ -	\$ (66,008)

Dartmouth-Hitchcock Health and Subsidiaries
 Consolidating Statements of Operations and Changes in Unrestricted Net Assets
 Year Ended June 30, 2014

	D-HH (parent)	D-H and Subsidiaries	NLH and Subsidiaries	Eliminations	Health System Consolidated
<i>(In thousands of dollars)</i>					
Unrestricted revenue and other support					
Net patient service revenue	\$ -	\$ 1,190,366	\$ 39,482	\$ -	\$ 1,229,848
Contracted revenue	1,004	91,386	-	-	92,390
Other operating revenue	2,435	62,399	2,161	(2,191)	64,804
Net assets released from restrictions	-	11,576	94	-	11,670
Total unrestricted revenue and other support	3,439	1,355,727	41,737	(2,191)	1,398,712
Operating expenses					
Salaries	1,071	651,038	21,070	2,537	675,716
Employee benefits	311	203,388	4,783	570	209,052
Medical supplies and medications	-	188,885	7,512	-	196,397
Purchased services and other	7,702	162,069	5,897	(5,712)	169,956
Medicaid enhancement tax	-	32,636	1,852	-	34,488
Depreciation and amortization	103	54,915	2,711	-	57,729
Interest	-	17,777	659	-	18,436
Expenditures relating to net assets released from restrictions	-	11,576	94	-	11,670
Total operating expenses	9,187	1,322,284	44,578	(2,605)	1,373,444
Operating margin	(5,748)	33,443	(2,841)	414	25,268
Nonoperating gains (losses)	(267)	55,927	1,144	-	56,804
Investment gains	333	(4,679)	287	(414)	(4,473)
Other, net	33,692	-	-	-	33,692
Contribution revenue from acquisition	33,758	51,248	1,431	(414)	86,023
Total nonoperating gains, net	28,010	84,691	(1,410)	-	111,291
Excess (deficiency) of revenue over expenses	-	748	15	-	763
Unrestricted net assets	-	-	-	-	-
Net assets released from restrictions (Note 6)	-	-	-	-	-
Change in funded status of pension and other postretirement benefits	(29,257)	19,669	-	-	19,669
Net assets transferred to affiliate	1,348	(4,435)	33,692	-	-
Additional paid in capital	-	-	-	(1,348)	-
Change in fair value on interest rate swaps	-	1,538	-	-	1,538
Increase (decrease) in unrestricted net assets	101	102,211	32,297	(1,348)	133,261

Dartmouth-Hitchcock and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2014

<i>(in thousands of dollars)</i>	D-H Obligated Group	THF	DHMC	Eliminations	D-H and Subsidiaries
Unrestricted revenue and other support					
Net patient service revenue	\$ 1,190,366	-	-	-	\$ 1,190,366
Contracted revenue	91,034	710	-	(358)	91,386
Other operating revenue	57,306	1,704	6,933	(3,544)	62,399
Net assets released from restrictions	10,274	1,302	-	-	11,576
Total unrestricted revenue and other support	<u>1,348,980</u>	<u>3,716</u>	<u>6,933</u>	<u>(3,902)</u>	<u>1,355,727</u>
Operating expenses					
Salaries	649,981	-	-	1,057	651,038
Employee benefits	203,259	-	-	129	203,388
Medical supplies and medications	188,905	-	-	(20)	188,885
Purchased services and other	154,908	2,816	6,934	(2,589)	162,069
Medical enhancement tax	32,636	-	-	-	32,636
Depreciation and amortization	54,894	-	21	-	54,915
Interest	17,777	-	-	-	17,777
Expenditures relating to net assets released from restrictions	10,274	1,302	-	-	11,576
Total operating expenses	<u>1,312,634</u>	<u>4,118</u>	<u>6,955</u>	<u>(1,423)</u>	<u>1,322,284</u>
Operating margin	<u>36,346</u>	<u>(402)</u>	<u>(22)</u>	<u>(2,479)</u>	<u>33,443</u>
Nonoperating gains (losses)					
Investment gains	53,398	2,529	-	-	55,927
Other, net	<u>(7,158)</u>	<u>-</u>	<u>-</u>	<u>2,479</u>	<u>(4,679)</u>
Total nonoperating gains, net	<u>46,240</u>	<u>2,529</u>	<u>-</u>	<u>2,479</u>	<u>51,248</u>
Excess (deficiency) of revenue over expenses	<u>82,586</u>	<u>2,127</u>	<u>(22)</u>	<u>-</u>	<u>84,691</u>
Unrestricted net assets					
Net assets released from restrictions (Note B)	485	263	-	-	748
Change in funded status of pension and other postretirement benefits	19,669	-	-	-	19,669
Net assets transferred to affiliate	<u>(4,435)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,435)</u>
Change in fair value on interest rate swaps	1,538	-	-	-	1,538
Increase (decrease) in unrestricted net assets	<u>\$ 99,843</u>	<u>\$ 2,390</u>	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$ 102,211</u>

DARTMOUTH-HITCHCOCK (D-H)
DARTMOUTH-HITCHCOCK HEALTH (D-HH)

BOARDS OF TRUSTEES AND OFFICERS

(19 Total Trustees)

Effective: January 1, 2016

<p>Troyen A. Brennan, MD, MPH (Wendy Warring) MHHM/DHC/D-HH Trustee <i>Executive Vice President and Chief Medical Officer of CVS Health</i></p>	<p>MHHM/DHC: Elected on 3/20/2015. Term began 4/1/2015. Full term expires 12/31/2023.</p> <p>D-HH: Elected on 3/20/2015 as a DHC rep.</p>
<p>R. William Burgess, Jr. (Barbara) MHHM/DHC/D-HH Trustee <i>Managing Partner, ABS Ventures</i></p>	<p>MHHM/DHC: Elected on 12/5/2014. Term began 1/1/2015. Full term expires 12/31/2023.</p> <p>D-HH: Elected on 9/19/2014 to complete Bill Helman's term as DC rep through 12/31/2014 and to begin his own 4 yr term on 1/1/2015 (ending 12/31/2018).</p>
<p>Jeffrey A. Cohen, MD (Renee Vebell) MHHM/DHC Trustee <i>Chair, Dept. of Neurology</i></p>	<p>MHHM/DHC: Elected on 12/4/2015. Term began 1/1/2016. Full term expires 12/31/2018.</p>
<p>Duane A. Compton, PhD MHHM/DHC/D-HH Trustee <i>Ex-Officio: Interim Dean, Geisel School of Medicine at Dartmouth</i></p>	<p>MHHM/DHC/D-HH: Ex-officio (effective 7/15/2014).</p>

<p>William J. Conaty (Sue) MHHM/DHC/D-HH Trustee <i>President, Conaty Consulting, LLC</i></p>	<p>MHHM/DHC: Term began 6/1/2011. Full term expires 5/31/2020.</p> <p>D-HH: Elect DHC rep. trustee (on 12/9/11) effective 1/1/2012.</p>
<p>Vincent S. Conti (Meredith) MHHM/DHC/D-HH Trustee <i>Retired President & CEO, Maine Medical Center</i></p>	<p>MHHM/DHC: President appointed to MHHM Aug-Dec 2008. Nominated to both MHHM/DHC on 8/13/09 for a term to start 1/1/2010. Full term expires 12/31/2018.</p> <p>D-HH: Elect 12/2/09 as an MHHM rep.</p>
<p>Denis A. Cortese, MD (Donna) MHHM/DHC/D-HH Trustee <i>Foundation Professor at Arizona State University (ASU) and Director of ASU's Healthcare Delivery and Policy Program</i></p>	<p>MHHM: President appointed to MHHM effective 9/1/2012 (approved by the BoT 6/15/12). Nominated to both MHHM/DHC on 12/7/12 for a term to start 1/1/2013. Full term expires 12/31/2021.</p> <p>D-HH: Elect on 3/15/13 as an MHHM rep.</p>
<p>Barbara J. Couch (Richard) MHHM/DHC/D-HH Boards' Secretary <i>President of Hypertherm's HOPE Foundation (includes leadership of all of Hypertherm's philanthropic and volunteer initiatives)</i></p>	<p>MHHM/DHC: Nominated on 3/25/09; completed D. Weaver's term through 12/31/09. Full term began 1/1/2010. Full term expires 12/31/2018.</p> <p>D-HH: Elect DHC rep.</p>

<p>Paul P. Danos, PhD (Mary Ellen) MHHM/DHC/D-HH Trustee <i>Dean Emeritus; Laurence F. Whittemore Professor of Business Administration, Tuck School of Business at Dartmouth</i></p>	<p>MHHM/DHC: Elected 2/5/2014 for a term beginning immediately. Term expires 12/31/2016. Full term expires 5/31/2022.</p> <p>D-HH: Elected DHC rep. trustee (on 2/5/2014) effective immediately.</p>
<p>Senator Judd A. Gregg (Kathleen) MHHM/DHC Trustee <i>Senior Advisor to SIFMA</i></p>	<p>MHHM/DHC: Term began 1/1/2013. Full term expires 12/31/2021.</p>
<p>M. Brooke Herndon, MD (Eric Miller) MHHM/DHC (Lebanon Physician) Trustee <i>Staff Physician, Primary Care, DHMC (Heater Road)</i></p>	<p>D-H: Elected on 3/20/2015 for a 3 year term that began 1/1/2015 and end 12/31/ 2017.</p>
<p>Barbara C. Jobst, MD (Markus) MHHM/DHC (Lebanon Physician) Trustee <i>Section Chief of Adult Neurology at DHMC and Director of the Dartmouth-Hitchcock Epilepsy Center</i></p>	<p>D-H: Elected on 12/6/2013 for a 3 year term to begin 1/1/2014 and end 12/31/ 2016.</p>
<p>Laura K. Landy (Robert Corman) MHHM/DHC/D-HH Trustee <i>President and CEO of the Fannie E. Rippel Foundation</i></p>	<p>MHHM: President appointed to MHHM effective 9/1/2012 (approved by the BoT 6/15/12). Nominated to both MHHM/DHC on 12/7/12 for a term to start 1/1/2013. Full term expires 12/31/2021.</p> <p>D-HH: Elected on 3/15/13 as an MHHM rep.</p>

<p>Robert A. Oden, Jr., PhD (Teresa) MHHM/DHC/D-HH Boards' Vice Chair <i>Retired President, Carleton College</i></p>	<p>MHHM/DHC: President appointee to MHHM (1/27/11 - 12/31/11). Elected to MHHM/DHC Boards on 12/9/11 for a term 1/1/2012 - 12/31/2014. Full term expires 12/31/2020. Became Board Chair 1/1/2013. Term expired 12/31/15. Vice-Chair: 1/1/16</p> <p>D-HH: Elected DHC rep. trustee (on 12/9/11) effective 1/1/2012.</p>
<p>Charles G. Plimpton (Barbara Nyholm) MHHM/DHC/D-HH Boards' Treasurer <i>Retired Investment Banker</i></p>	<p>MHHM/DHC: Elected on 3/20/2015. Term began 4/1/2015. Full term expires 12/31/2023. Board Treasurer: 1/1/16</p> <p>D-HH: Elected on 3/20/2015 as an MHHM rep.</p>
<p>Timothy D. Scherer, MD MHHM/DHC Trustee <i>Associate Medical Director of Specialty Services, D-H Nashua</i></p>	<p>MHHM/DHC: Elected on 12/4/2015. Term began 1/1/2016. Full term expires 12/31/2018.</p>
<p>Brian C. Spence, MD, MHCDS (Kirsten Glass, VMD) MHHM/DHC Trustee <i>Associate Professor of Anesthesiology</i></p>	<p>MHHM/DHC: Elected on 12/4/2015. Term began 1/1/2016. Full term expires 12/31/2018.</p>

<p>Anne-Lee Verville MHHM/DHC/D-HH Boards' Chair <i>Retired senior executive, IBM</i></p>	<p>MHHM/DHC: Completed Fuehrer's term through 12/31/08. Nominated on 12/17/08. Term began 1/1/2009. Full term expires 12/31/2017.</p> <p>D-HH: Elected 9/3/10 as an MHHM rep. trustee. Re-elected on 12/6/2013 as a DHC rep for a term to end on 12/31/2015. Re-elected as MHHM rep on 12/4/15.</p> <p>Vice-Chair effective 10/1/2014. Board Chair eff: 1/1/16</p>
<p>James N. Weinstein, DO, MS (Mimi) MHHM/DHC/D-HH Trustee <i>Ex-officio: CEO, Dartmouth-Hitchcock; President, D-HH</i></p>	<p>MHHM/DHC/D-HH: Ex-officio as DHC President effective 1/14/2010. Ex-officio as CEO of D-H began 11/1/2011. Voted by the D-HH Board as President on 9/1/2012 or upon vacancy. Became President on 11/14/2011 when Dr. Colacchio resigned.</p>

Member of D-HH, not a member of D-H:

<p>Steven "Steve" A. Paris, MD (Susan) D-HH Trustee</p>	<p>D-HH: elected to the Board on 6/28/13 for a term to begin immediately and end on 12/31/2015. Elected on 12/4/2015 for a term effective as of 1/1/2016 as a Physician Rep.</p> <p>(NOTE: Term expired on D-H Board 12/31/2015)</p>
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Administrative Support:

Kimberley A. Gibbs (603/650-8779)
Director, Governance & Leadership
One Medical Center Drive, Lebanon, NH 03756
kimberley.a.gibbs@hitchcock.org
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Claire M. Lillie (603/650-5244)
Exec. Coordinator for Governance & Leadership
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4.2.2

Edward Jonathan Merrens, MD, MS
Curriculum Vitae – April 2014

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96 Meetinghouse Road
Norwich, Vermont 05055 USA

EDUCATION:

DATE	DEGREE	INSTITUTION
2013	Masters in Healthcare Delivery Science (MS)	Tuck School of Business and the Geisel School of Medicine, Dartmouth College, Hanover, NH
1994	Medical Doctor (MD)	Dartmouth Medical School, Hanover, NH (Geisel School of Medicine at Dartmouth)
1988	Bachelor of Arts (BA)	Dartmouth College, Hanover, NH

POSTDOCTORAL TRAINING:

DATE	SPECIALTY	INSTITUTION
1997 - 1998	Internal Medicine, Chief Resident	University of Washington, Seattle, WA
1995 - 1997	Internal Medicine Residency	University of Washington, Seattle, WA
1994 - 1995	Internal Medicine Internship	University of Washington, Seattle, WA

LICENSURE AND CERTIFICATION:

DATE	LICENSURE	CERTIFICATION
1994 - 1998	Washington State Medical License	not renewed
1997 - 2017	American Board of Internal Medicine	Diplomate - No. 176490
1998	New Hampshire Medical License	No. 10335
2013 - 2015	Basic Life Support (CPR/AED)	
2009	Advanced Cardiac Life Support (ACLS)	

ACADEMIC APPOINTMENTS:

DATE	ACADEMIC TITLE	INSTITUTION
1999	Assistant Professor	Geisel School of Medicine at Dartmouth, Hanover, NH
1998	Instructor in Medicine	Dartmouth Medical School, Hanover, NH
1997	Acting Instructor	University of Washington Department of Medicine

HOSPITAL APPOINTMENTS:

DATE	TITLE	INSTITUTION
1998 - 2002	Director, Consult Service	General Internal Medicine, DHMC
2000 - 2010	Medical Director, Inpatient Medicine 1E/3E	Dartmouth-Hitchcock Medical Center (DHMC)
2001 - 2002	Associate Section Chief	General Internal Medicine, DHMC
2002 - 2004	Director, Inpatient Affairs	General Internal Medicine, DHMC
2005 - 2010	Associate Program Director	Department of Medicine, DHMC
2005 - 2012	Section Chief, Hospital Medicine	Department of Medicine, DHMC
2010 - 2012	Medical Director, Inpatient Services	Dartmouth-Hitchcock Medical Center (DHMC)
2012 - Present	Chief Medical Officer	Dartmouth-Hitchcock Medical Center (DHMC)

OTHER PROFESSIONAL POSITIONS:

DATE	POSITION/TITLE	INSTITUTION/ORGANIZATION
1998 - Present	Team Physician, Medical Director	United States Biathlon Association (USBA)
1998 - Present	Team Physician	United States Olympic Committee (USOC)

MAJOR COMMITTEE ASSIGNMENTS AND CONSULTATIONS:

National/International:

YEAR	COMMITTEE	ROLE	INSTITUTION
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2001	United States Olympic Committee	MD	21 st World University Games - Beijing, China
2002	United States Olympic Committee	MD	2002 Olympic Winter Games - Salt Lake City, USA
2006	United States Olympic Committee	MD	2006 Olympic Winter Games - Torino, Italy
2010	United States Olympic Committee	MD	2010 Olympic Winter Games - Vancouver, Canada
2012	Biathlon World Championships	MD	Ruhpolding, Germany
2014	United States Olympic Committee	MD	2014 Olympic Winter Games - Sochi, Russia

Regional:

YEAR	COMMITTEE	ROLE	INSTITUTION
2012 - 2013	Vermont Hospitalist Leaders	Member	Dartmouth-Hitchcock Medical Center

Institutional:

YEAR	COMMITTEE	ROLE	INSTITUTION
1998 - 2002	Internship Advisory	Chair	Dartmouth Medical School
1999	Section of Nephrology, Search	Member	Dartmouth-Hitchcock Medical Center
1999	Section of Dermatology Search	Member	Dartmouth-Hitchcock Medical Center
1999 - 2002	Continuing Medical Education	Member	Dartmouth-Hitchcock Medical Center
2000 - 2002	Restraints	Co-Chair	Dartmouth-Hitchcock Medical Center
2000 - 2011	House staff Quality Assurance	Member	Dartmouth-Hitchcock Medical Center
2001	Section of Emergency Medicine Search	Member	Dartmouth-Hitchcock Medical Center
2001- 2006	Dept of Medicine Education	Member	Dartmouth-Hitchcock Medical Center
2001- 2002	Point of Care Testing	Member	Dartmouth-Hitchcock Medical Center
2002 - 2003	General Internal Medicine Search	Member	Dartmouth-Hitchcock Medical Center
2002 - 2008	Inpatient Capacity and Flow	Member	Dartmouth-Hitchcock Medical Center
2003 - Present	Compensation	Member	Dartmouth-Hitchcock Medical Center
2003 - 2005	Ad hoc Committee on Compensation	Member	Dartmouth-Hitchcock Medical Center
2004 - 2008	Computer Information System Steering	Member	Dartmouth-Hitchcock Medical Center
2005 - 2010	Medication Reconciliation	Member	Dartmouth-Hitchcock Medical Center
2006 - 2012	DHMC Board of Governors	Member	Dartmouth-Hitchcock Medical Center
2007	DHMC Anticoagulation Task Force	Member	Dartmouth-Hitchcock Medical Center
2008	Dept. of Orthopedics Vice-Chair Search	Member	Dartmouth-Hitchcock Medical Center
2008	Section of Pulmonary Medicine, Search	Member	Dartmouth-Hitchcock Medical Center
2008 - 2010	Clinical Practice	Member	Dartmouth-Hitchcock Medical Center
2008 - 2010	Community Acquired Pneumonia	Chair	Dartmouth-Hitchcock Medical Center
2008 - 2012	Board of Trustees	Member	Dartmouth-Hitchcock Medical Center
2008 - 2012	Assembly of Overseers	Member	Dartmouth-Hitchcock Medical Center
2008 - 2012	Board of Trustees - Finance	Member	Dartmouth-Hitchcock
2008 - 2012	Board of Trustees - Quality Credentials	Member	Dartmouth-Hitchcock
2009	Board of Trustees - Ad Hoc	Member	Dartmouth-Hitchcock Health (DHH)
2010	Dept of Orthopedics, Residency Review	Chair	Dartmouth-Hitchcock Medical Center
2010	Section of Dermatology, Internal Review	Member	Dartmouth-Hitchcock Medical Center
2010 - Present	Quality and Value Committee	Member	Dartmouth-Hitchcock Medical Center
2010 - Present	Ambulatory, Perioperative and Inpatient	Member	Dartmouth-Hitchcock Medical Center
2010 - Present	Access, Capacity and Throughput	Member	Dartmouth-Hitchcock Medical Center
2012 - Present	Critical Care Redesign	Facilitator	Dartmouth-Hitchcock Medical Center
2011 - Present	Inpatient Hospice Care	Member	Dartmouth-Hitchcock Medical Center
2011 - 2013	Wound Care Program	Leader	Dartmouth-Hitchcock Medical Center
2012 - Present	Readmissions Reduction HEN	Member	Dartmouth-Hitchcock Medical Center
2013 - Present	One-DH Credentialing Project	Leader	Dartmouth-Hitchcock Medical Center
2013 - Present	Section of Hospital Medicine, Search	Member	Dartmouth-Hitchcock Medical Center
2013 - Present	Section of Palliative Med, Search	Member	Dartmouth-Hitchcock Medical Center
2013 - Present	Compensation Redesign Committee	Leader	Dartmouth-Hitchcock Medical Center
2013 - Present	Board of Trustees - Finance	Member	Dartmouth-Hitchcock
2014 - Present	Bylaws Redesign	Leader	Dartmouth-Hitchcock Medical Center
2014 - Present	Institutional Ethics Committee	Member	Dartmouth-Hitchcock Medical Center
2014 - Present	Enhancement Advisory Group for GME	Member	Dartmouth-Hitchcock Medical Center

MEMBERSHIP, OFFICE & COMMITTEE ASSIGNMENTS IN PROFESSIONAL SOCIETIES:

DATE	SOCIETY	ROLE
1995 – Present	American College of Physicians	Member
1998 – Present	New Hampshire Medical Society	Member
1998 – Present	Grafton County Medical Society	Member
1999 – Present	Society of General Internal Medicine	Member
1999 – Present	American College of Sports Medicine	Member
2000 – Present	United States Olympic Committee	Sports Medicine Society Member
2001 – 2009	Society of Hospital Medicine (SHM)	Member
2007 – 2008	Society of Hospital Medicine (SHM)	Academic Task Force
2010 - Present	Society of Hospital Medicine (SHM)	Fellow in Hospital Medicine (FHM)

EDITORIAL BOARDS:

DATE	ROLE	BOARD NAME
1991-1994	Editorial Board	Dartmouth Medicine Magazine
1999 – 2002	Reviewer	Journal of General Internal Medicine (JGIM)
1998	Reviewer	British Medical Journal, Reviewer for Clinical Evidence
2000 – Present	Associate Editor	Annals of Internal Medicine
2007	Reviewer	Oxford Press – Handbook Clinical Medicine/Acute Medicine

AWARDS AND HONORS:

DATE	AWARD
1994	Upjohn Achievement Award, Dartmouth Medical School
1994 - 1995	Intern of the Year – University of Washington Department of Medicine
1995 – 1996	Award for Excellence in Internal Medicine – University of Washington Department of Medicine
1996 – 1997	Outstanding Resident of the Year - University of Washington Department of Medicine
2008	Arnold P. Gold Humanism in Medicine Honor Society Award, Dartmouth Medical School
2005 - 2012	Department of Medicine Excellence in Teaching Awards
2006	Excellence in Teaching Award, Dartmouth Medical School Class of 2007
2010	Alpha Omega Alpha (AOA) – Honor Medical Society
2011- 2013	New Hampshire Magazine's Top Doctors (Hospitalist)

JOURNAL REFEREE ACTIVITIES:

DATE	JOURNAL NAME
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Other Activities:

TEACHING EXPERIENCE/CURRENT TEACHING RESPONSIBILITIES:

Dartmouth Medical School:

DATE	TEACHING
1998 – Present	Inpatient Medical Service teaching with 3 rd year Medical students on Medical clerkship rotation
2004 – Present	Inpatient Hospitalist Service teaching with 4 th year DMS Sub-Interns

Dartmouth-Hitchcock Medical Center:

1998 – Present	Inpatient Medical Service teaching with Interns and Residents on the inpatient teaching service
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INVITED PRESENTATIONS:

Regional:

DATE	TOPIC	ORGANIZATION	LOCATION
4/25/2014	Promoting Professional Accountability: Dealing with Behaviors that Undermine A Culture of Safety; Guest speaker	Vanderbilt Medical Center Center for Patient & Professional Advocacy	Hanover, NH

4/23/2014	The Hospitalists Role in Developing a Sustainable Health System: Moving from Volume to Value Grand Rounds Speaker	Newton-Wellesley Hospital	Newton, MA
4/11/2014	Planning for Death: Ethics and Legalities Guest Speaker	Dartmouth Ilead Course	Hanover, NH
4/5/2014	The Dartmouth Symposium on Health Care Delivery Science, Panel Speaker	Dartmouth College, MHCDS The Tuck School of Business	Hanover, NH
9/27/2013	Health Care Reform: Vermont and New Hampshire Leading the Debate	Geisel School of Medicine	Lebanon, NH
7/20/2013	Leadership Panel	MHCDS Summer Residency	Hanover, NH
5/30/2013	Accountable Care and Hospitalists	Springfield Hospital Grand Rounds	Springfield, VT
10/23/2012	Hospital Medicine, history and impact on care delivery and Accountable care	New London Hospital Grand Rounds	New London, NH
10/10/2012	Emergency Medicine, Accountable Care and the regional role of DH	DHMC Emergency Medicine Resident Conference	DHMC, Lebanon, NH
6/12/2012	Hospital Medicine - Opportunities and Challenges in Healthcare Delivery	Valley Regional Hospital Grand Rounds	Claremont, NH
1/19/2012	Doctors, Sections, Boards and Everything in Between	Volunteer Auxiliary Board	DHMC, Lebanon, NH
5/13/2010	Hepatorenal Syndrome: Understanding and Managing the Renal Dysfunction of Cirrhosis	General Internal Medicine Educational Conference	DHMC, Lebanon, NH
3/14/2010	Advanced Communication Skills for the Inpatient Physician	Dartmouth Medical School Advanced Medical Science Course	DHMC, Lebanon, NH
4/22/2010	Alumni Share Knowledge Forum "The Practice: Diverse Pathways"	Dartmouth Medical School	DHMC, Lebanon, NH
2/19/2009	The Evolution of Inpatient Care	Clinical Practice Committee	DHMC, Lebanon, NH
1/31/2009	Health and Nutrition for Nordic Ski Performance	Ford Sayre Ski Council	Hanover, NH
12/8/2008	Exercise Induced Asthma and Bronchospasm in Nordic Skiers	Noon talk	DHMC, Lebanon, NH
National: DATE	TOPIC	ORGANIZATION	LOCATION
5/17/2013	Accountable Care and Hospitalist	Society for Hospital Medicine	Washington, DC
5/21/2010	Nutrition for Performance	United States Biathlon team and Olympic officials	Lake Placid, NY

2009	Altitude Training: Hypoxic Training and Athletic Performance	United States Biathlon team	Lake Placid, NY
10/24/2009	Medical care of the Biathlete	United States Biathlon team	Lake Placid, NY
3/3/2009	Medical Care of the Elite Winter Athlete	New England Medical Assn 52 nd Annual Conference	Stowe, VT
2008	Effect of an Inpatient Anticoagulation Service on Improving the Safe Use of Warfarin Sodium	Society of Hospital Medicine Annual Meeting	San Diego, CA
6/14/2008	Medical care of the Biathlete	United States Biathlon team and US Olympic Committee	Lake Placid, NY
International:			
DATE	TOPIC	ORGANIZATION	LOCATION
11/29/2008	Medical care of the Biathlete	IBU World Cup	Ostersund, Sweden
11/29/2008	Nutrition for Performance in Biathlon	IBU World Cup	Ostersund, Sweden

MAJOR RESEARCH INTERESTS:

RESEARCH FUNDING: (Be sure to include dates, amounts, whether you are PI or co-PI)

Past:

1. DHMC Quality Research Grant, 2007-8 - Inpatient Anticoagulation, Principle Investigator

BIBLIOGRAPHY:

Journal Articles:

1. Zlotnick D, Merrens E, Fingar E, et al. 69-year-old male presenting with hypotension and anasarca. *Am J Hematol* 2008;83:311-314.
2. Zlotnick D, Merrens E, Fingar E, et al. Intravascular lymphoma as a recurrence of testicular Non-Hodgkin's lymphoma confirmed by polymerase chain reaction. *Am J Hematol* 2008;83:681-682.
3. Lurie JD, Merrens EM, Lee J, Splaine ME. An Approach to Hospital Quality Improvement. *Medical Clinics of North America*, 2002
4. Merrens EJ, Peart DR. Effects of Hurricane Damage on Individual Growth and Stand Structure in a Hardwood Forest in New Hampshire, USA. *Journal of Ecology* 1992;80:787-795.

Original Articles:

1. Merrens, EJ, Meeting 24/7 Demands, *Dartmouth Medicine Magazine* – Page 31, Summer 2005

Letters to the Editor:

1. Sheffield JV, Merrens EJ. More about Thrombotic Thrombocytopenic Purpura. *Letter, New Engl J Med.* 1998 Feb 19; 338(8):548

Book Chapters:

1. Merrens, EJ (Chapter on Biliary disease), Glasheen J (Editor) *Hospital Medicine Secrets*. Elsevier Publishing (2006)

Updated: 4/24/2014

MARY HITCHCOCK MEMORIAL HOSPITAL DBA DARTMOUTH HITCHCOCK

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
James Weinstein, MD	Chief Executive Officer	\$1,250,000	0.0%	\$ 0.00
Robin Kilfeather- Mackey	Chief Financial Officer	\$525,0785	0.0%	\$ 0.00
Daniel Jantzen	Chief Operating Officer	\$525,000	0.0%	\$ 0.00
Edward Merrens, MD	Chief Medical Officer	\$375,000	0.0%	\$ 0.00



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

MAY06'15 PM 1:17 DAS

N 32

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN
SERVICES

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


 NH DIVISION OF
Public Health Services
improving health, preventing disease, reducing costs for all

APPROVED FIC	
DATE	
APPROVED G&C #	32
DATE	5/27/15
NOT APPROVED	

April 21, 2015

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, to establish a list of licensed medical providers, with the ability to expand to include additional licensed medical providers to provide necessary outpatient visits labs, and diagnostic tests, and outpatient procedures for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 each State Fiscal Year for a total of \$200,000. The Agreements are effective date of Governor and Executive Council approval through June 30, 2016. 100% Other Funds.

VENDOR	LOCATION
Mary Hitchcock Memorial Hospital	Lebanon, NH

Funds are available in the following account for SFY 2015, and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

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

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2015	530-500371	Drug Rebates	90024607	\$100,000
SFY 2016	530-500371	Drug Rebates	90024607	\$100,000
		Total		\$200,000

EXPLANATION

This request is the second (2nd) of six (6) agreements that will ensure the provision of outpatient visits, labs, diagnostic tests, and outpatient procedures services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide, who are enrolled in the New Hampshire Ryan White CARE Program. The licensed medical practice will provide outpatient visits labs, and diagnostic tests, and outpatient procedures services to enrolled clients, on an individual, case-by-case, as needed basis. The Department anticipates that the remaining four (4) agreements will be presented at an upcoming Governor and Executive Council meeting.

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

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

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

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

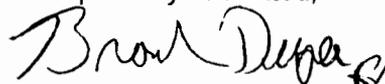
The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive outpatient services.

The geographic area to be served is statewide.

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

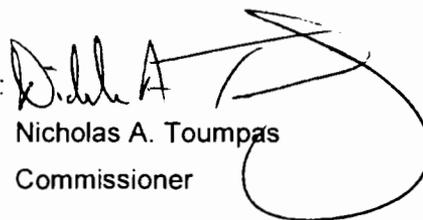
In the event that the Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD, MHCDS
Director

Approved by:



Nicholas A. Toumpas
Commissioner

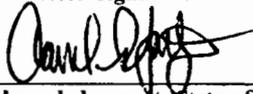
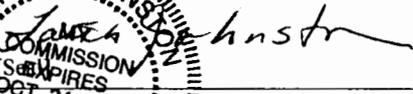
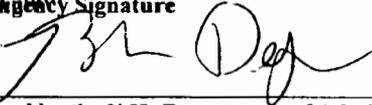
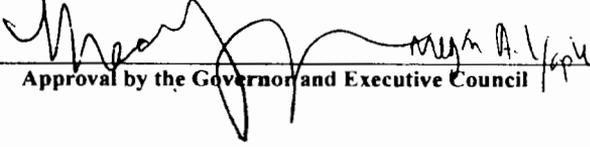
Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Mary Hitchcock Memorial Hospital d/b/a Dartmouth-Hitchcock Clinic		1.4 Contractor Address One Medical Center Drive Lebanon, NH 03756-0001	
1.5 Contractor Phone Number (603)653-1213	1.6 Account Number 05-95-90-92510-2229-530-500371	1.7 Completion Date June 30, 2016	1.8 Price Limitation \$200,000
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Daniel P. Jantzen, COO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Grafton</u> On <u>5/13/15</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
1.13.2 Name and Title of Notary or Justice of the Peace JAMES JOHNSTON NOTARY PUBLIC NEW HAMPSHIRE			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>5/1/15</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 101), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed or 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: GH
Date: 4/13/15

8. EVENT OF DEFAULT/REMEDIES.

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

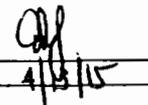
14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials:

Date:

Handwritten signature and date: 4/15/15

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

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

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



Exhibit A

Scope of Services

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

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

2. Provision of Services:

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

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

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

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

2.5. The Contractor shall provide client level data via CAREWare (OR a bridge to CAREWare from a compatible electronic medical record) to the NH CARE Program for the completion of annual reports to the Health Resources and Services Administration (HRSA).

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

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



Exhibit A

3. Licensing Requirements:

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

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

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

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

6. Entire Agreement:

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



Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual outpatient Ambulatory medical care services provided by the contractor to enrolled NH CARE Program clients. Services will be reimbursed at NH Medicaid rates.
2. Price Limitation: This Agreement is one of multiple Agreements that will serve the NH CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Outpatient Ambulatory Medical Care Services is 100% federal funds from the Pharmaceutical Rebates.
5. Contract medical provider shall complete and submit an outpatient visit, laboratory test, or diagnostic test Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their outpatient services related to Department of Health and Human Services funded programs and services.
7. Outpatient ambulatory medical care providers are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Medical provider's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.



SPECIAL PROVISIONS

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

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


Date 4/13/15



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

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

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



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

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



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

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

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

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis



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

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

AW
Date *4/3/15*



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
 - 10.1 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.2 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.3 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.4 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. Subparagraph 13 of the General Provisions of this contract, Indemnification, is replaced as follows;
 13. **INDEMNIFICATION**
The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may

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Exhibit C-1

be claimed to arise out of) the negligent acts or omissions or intentional misconduct of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

4. Insurance:

Subparagraph 14.2 of the General Provisions of this contract is deleted and replaced with the following subparagraph;

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.

5. Confidentiality of Records:

Subparagraph 10 of Exhibit C of this contract, Special Provisions, is deleted and replaced with the following subparagraph;

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

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

6. Extension:

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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4/15/15



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR 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


Date 4/13/15

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

4/13/15
Date


Name: Daniel Janzen
Title: Chief Operating Officer

Contractor Initials 
Date 4/13/15



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

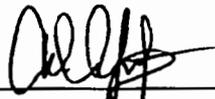
The undersigned certifies, to the best of his or her knowledge and belief, that:

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

Date 1/13/15


Name: Daniel Jantzen
Title: Chief Operating Officer



**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


Date 4/13/15



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

4/13/15

Date



Name: Daniel Janssen
Title: Chief Operating Officer



Date 4/13/15



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

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

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

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

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

Exhibit G

Contractor Initials

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

6/27/14
Rev 10/21/14

Page 1 of 2

Date


Date 4/13/15

New Hampshire Department of Health and Human Services
Exhibit G



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

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

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

4/13/15
Date


Name: Daniel Lentzen
Title: Chief Operating Officer

Exhibit G

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

Contractor Initials



Date 4/13/15



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

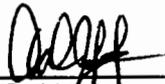
Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, 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: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

4/13/15
Date


Name: Daniel Jantzen
Title: Chief Operating Officer

Contractor Initials 
Date 4/13/15



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

aj

4/13/15



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

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

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

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

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

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

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

Date 4/13/15

[Signature]
Name: Daniel Jantzen
Title: Chief Operating Officer

