



Lori A. Shibanette
Commissioner

Lisa M. Morris
Director

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

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July 8, 2020

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, to enter into contracts with the vendors listed below in an amount not to exceed \$232,500 in order to build a provider list of individuals and organizations licensed by the State of New Hampshire, to provide core medical services to clients enrolled in the New Hampshire CARE Program (NH CARE Program) and New Hampshire Tuberculosis Financial Assistance Program (NH TBFA Program) with the option to renew for up to three (3) additional years, effective upon Governor and Council approval through March 31, 2021. 7% General Funds. 93% Other Funds (Pharmaceutical Rebates).

The total shared price limitations among all services are as follows:

- \$275,000 for Oral Health Services
- \$275,000 for Outpatient/Ambulatory Health Services
- \$82,500 for Mental Health and Substance Use Disorder Counseling and Treatment
- \$55,000 for Home and Community-based Health Services
- \$55,000 for NH Tuberculosis Financial Assistance Program

Vendor Name	Vendor Code	Vendor's Address	Contract Amount
Mary Hitchcock Memorial Hospital d/b/a Dartmouth Hitchcock Clinic	177160-B015	One Medical Center Drive Lebanon, NH 03756	\$187,500
Merrimack River Medical Services	174361-R001	323 Derry Road Hudson, NH 03051	\$22,500
The Mental Health Center of Greater Manchester	177184-B001	401 Cypress Street Manchester, NH 03103	\$22,500
		Total:	\$232,500

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

See Attached Fiscal Details

EXPLANATION

The purpose of this request is to ensure access to care for eligible individuals living with Human Immunodeficiency Virus (HIV)/Acquired Immune Deficiency Syndrome (AIDS) and for eligible individuals with active tuberculosis; suspect active tuberculosis; or high-risk Latent Tuberculosis Infection (LTBI).

The program provides services to approximately 550 to 600 clients, statewide.

In accordance with the Centers for Disease Control and Prevention (CDC) Tuberculosis Financial Assistance Program (TBFA) rules, the NH CARE Program is required to implement contractual agreements with core medical service providers. Core medical providers are subject to maintaining nationally accepted fiscal, programmatic, and monitoring standards established by the Health Resources and Services Administration. Federal and CDC regulations also require NH CARE Program funds be used as a payor of last resort. According to the New Hampshire Integrated HIV Prevention and Care Plan 2017-2021, the Department identified gaps in core medical services for people living with HIV/AIDS, statewide. The agreements will minimize gaps in services for eligible individuals.

This request represents three (3) additional contracts to the previously awarded nine (9) contracts; eight (8) contracts were approved by Governor and Executive Council on December 5, 2018 (Item #19) and one (1) was approved by Governor and Executive Council on January 8, 2020 (Item #6). Additional contracts may be awarded as applications are received.

The contractors will provide core medical services to individuals who are enrolled in the NH CARE Program, which is designed to increase accessibility to health care and support services for those living with HIV/AIDS. The NH CARE Program receives funding from the Health Resources and Services Administration, Ryan White HIV/AIDS Program, Part B for outpatient ambulatory health services, mental health counseling and substance misuse treatment, oral health, and home health care services.

The services encompass four (4) core medical services as well as TBFA services, as described below.

1. Oral Health Care Services

The Contractors will act as representatives of the NH CARE Program to provide oral health services to individuals enrolled in the NH CARE Program through dental health care professionals that are licensed by the New Hampshire Board of Dental Examiners, including, but not limited to: preventive dental assessments and treatments, restorative dental care, and if applicable, oral surgery.

2. Mental Health & Substance Use Disorder Counseling and Treatment Services

The Contractors will act as representatives of the NH CARE Program to provide outpatient mental health and substance use disorder counseling and treatment to enrolled NH CARE Program clients.

3. Outpatient/Ambulatory Health Services.

The Contractors will act as representatives of the NH CARE Program to provide outpatient and ambulatory health services, including medical visits, laboratory testing, and medical tests.

4. Home & Community-Based Health Services.

The Contractor will act as a representative of the NH CARE to provide skilled nursing visits and homemaker services.

5. Tuberculosis Treatment Services - TBFA

The Contractor will provide outpatient and ambulatory tuberculosis medication treatment assistance, including medical visits, laboratory testing, and medical tests to clients who have active tuberculosis; suspect active tuberculosis; or high-risk latent tuberculosis infection and as a case management option Directly Observed Therapy including when reasonable by a video Directly Observed Therapy monitoring system.

The Contractors were selected for this project through a Request for Application process. A Request for Applications was posted on the Department's website on April 20th 2018 and remains open.

The Department has received fifteen (15) applications which have been reviewed and scored. The Score Summary sheet is attached.

As referenced in the Request for Applications and in Exhibit C-1 of this contract, the Department has the option to extend contract services for up to three (3) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.

The performance results of this program are measured by the number of NH CARE Program clients who actually receive services.

Should the Governor and Executive Council not authorize this request eligible New Hampshire residents living with HIV/AIDS and tuberculosis may not receive necessary health care services such as: oral health services.

Area served: Statewide

Source of Funds: 93% Other Funds from the Pharmaceutical Rebates; 7% General Funds.

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

Respectfully submitted,


Lori A. Shibinette
Commissioner

Fiscal Details for NH CARE Program

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

State Fiscal Year	Class / Account	Class Title	Job Number	Amount
2021	530-500371	Drug Rebates	90024608	\$75,000
			Total	\$75,000
State Fiscal Year	Class / Account	Class Title	Job Number	Amount
2021	530-500371	Drug Rebates	90024607	\$75,000
			Total	\$75,000
State Fiscal Year	Class / Account	Class Title	Job Number	Amount
2021	530-500371	Drug Rebates	90024609	\$22,500
			Total	\$22,500
State Fiscal Year	Class / Account	Class Title	Job Number	Amount
2021	530-500371	Drug Rebates	90024604	\$15,000
			Total	\$15,000

05-95-90-902510-5170 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, DISEASE PREVENTION

State Fiscal Year	Class / Account	Class Title	Job Number	Amount
2021	010-500389	General Funds	90020006	\$15,000
			Total	\$15,000



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

Providers for the NH Care Program

RFA-2019-DPHS-04-NHCAR

RFA Name

RFA Number

Reviewer Names

Bidder Name

1. Abby Levin
2. Concord Hospital
3. Greater Nashua Dental Connection
4. Greater Seacoast Community Health
5. Harbor Homes, Inc.
6. Healthy at Home
7. Keystone Hall
8. Milford Regional Counseling Services
9. Pastoral Counseling Services
10. Ramesh Durvasula
11. The Mental Health Center of Greater Manchester

Pass/Fail	Maximum Points	Actual Points
	100	100
	100	100
	100	50
	100	100
	100	100
	100	100
	100	100
	100	50
	100	100
	100	100

1. Elizabeth Biron
2.
3.
4.
5.
6.
7.
8.
9.

Subject: NH CARE Program RFA-2019-DPHS-04-NHCAR-12

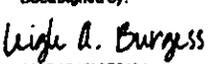
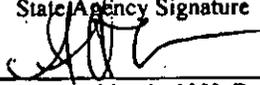
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

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	
1.5 Contractor Phone Number (603) 653-1219	1.6 Account Number 05-95-90-902510-22290000-530-500371	1.7 Completion Date March 31, 2021	1.8 Price Limitation \$187,500
1.9 Contracting Officer for State Agency Nathan D. White. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature DocuSigned by:  Leigh A. Burgess <small>AS3DSB4338EF404...</small>		1.12 Name and Title of Contractor Signatory Leigh Burgess, Vice President Office of Research Operations	
1.13 Acknowledgement: State of _____, County of _____ On _____, 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			
1.14 State Agency Signature  Date: 7/18/2020		1.15 Name and Title of State Agency Signatory Ann Landrum Associate Commissioner	
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) (if applicable) By: <i>Catherine Pinos</i> On: 07/20/20			
1.18 Approval by the Governor and Executive Council (if applicable) 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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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.

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 notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form 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 thirty (30) 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 provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

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.



Scope of Services

1. Provisions Applicable to All Services

- 1.1. For the purposes of this contract, the Contractor shall be identified as a subrecipient in accordance with 2 CFR 200.0. et seq.
- 1.2. The Contractor shall submit a detailed description of the language assistance services they shall provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.3. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.4. The Contractor is an extension of the direct NH CARE Program; therefore, shall adhere to all applicable legislative and programmatic requirements when providing services, including but not limited to:
 - 1.4.1. Ryan White Comprehensive AIDS Resources Emergency (CARE) Act legislation, administered by the U.S. Department of Health and Human Services (HHS), Health Resources and Services Administration (HRSA), HIV/AIDS Bureau (HAB) and the Tuberculosis Financial Assistance (TBFA) Program.
 - 1.4.2. HRSA National Monitoring Standards, as instructed by the Division of Public Health (DPHS), which are available online at:
 - 1.4.2.1. Fiscal Standards
(<https://hab.hrsa.gov/sites/default/files/hab/Global/fiscalmonitoringpartb.pdf>)
 - 1.4.2.2. Program Standards
(<https://hab.hrsa.gov/sites/default/files/hab/Global/programmonitoringpartb.pdf>)
 - 1.4.2.3. Universal Standards
(<http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>)
 - 1.4.3. New Hampshire Revised Statutes Annotated (RSA) 141C
(<http://www.gencourt.state.nh.us/rsa/html/X/141-C/141-C-mrg.htm>)
 - 1.4.4. Administrative Rules HeP-301.05
(http://www.gencourt.state.nh.us/rules/state_agencies/he-p.html)



**New Hampshire Department of Health and Human Services
Providers for the NH CARE Program Contract Exhibit A**

- 1.4.5. The Centers for Disease Control Guidelines for the Treatment of Tuberculosis (2003)
(<https://www.cdc.gov/mmwr/preview/mmwrhtml/rr5211a1.htm>)
- 1.4.6. The Centers for Disease Control Guidelines for the Treatment of Preventing Tuberculosis (2005)
(https://www.cdc.gov/mmwr/preview/mmwrhtml/rr5417a1.htm?s_cid=rr5417a1_e)
- 1.4.7. The Centers for Disease Control Guidelines for Targeted Tuberculin Testing and Treatment of Latent Tuberculosis Infection (2000)
(<https://www.cdc.gov/mmwr/preview/mmwrhtml/rr4906a1.htm>)
- 1.5. The Contractor shall ensure services are provided by a New Hampshire licensed medical professionals and certified professionals who are free from any mental or physical impairment or condition that would preclude their abilities to competently perform the essential functions or duties in this agreement.

2. Scope of Work

- 2.1. The Contractor shall provide outpatient/ambulatory health services to individuals enrolled in the NH CARE Program, which provides financial assistance for medical services to uninsured and underinsured New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide.
- 2.2. The Contractor shall provide outpatient/ambulatory health services to individuals enrolled in the NH TBFA Program which provides financial assistance for medical services to uninsured and underinsured New Hampshire residents with active TB, suspect active TB, high risk latent TB infection (LTBI) statewide.
- 2.3. The Contractor shall represent the NH CARE Program and NH TBFA Program to provide outpatient/ambulatory health services, which includes, but is not limited to:
 - 2.3.1. Medical visits.
 - 2.3.2. Laboratory testing.
 - 2.3.3. Medical tests.
 - 2.3.4. As determined by the Contractor, Directly Observed Therapy (DOT) including when reasonable by a video DOT monitoring system that meets the Department's security and confidentiality requirements.

New Hampshire Department of Health and Human Services
Providers for the NH CARE Program Contract Exhibit A



- 2.4. The Contractor shall provide outpatient oral health services to individuals enrolled in the NH CARE Program, in accordance with Exhibit B-1, NH CARE Program Dental Fee Schedule which include but are not limited to:
 - 2.4.1. Preventive dental assessments and treatments.
 - 2.4.2. Restorative dental care.
 - 2.4.3. Oral surgery
- 2.5. The Contractor shall provide outpatient mental health and/or substance use disorder counseling and treatment to individuals enrolled in the NH CARE Program and refer clients to re-enroll in the NH CARE Program, as appropriate.
- 2.6. The Contractor shall adhere to the NH CARE Program Schedule of Fees policy that discounts all fees and charges to \$0 dollars for all clients. The Contractor shall not charge the client additional costs for contract services.
- 2.7. The Contractor shall participate in an annual site visit with NH Division of Public Health Services (DPHS) staff in accordance with Exhibit A-1; NH CARE Program Annual Site Visit Process, Contract provider page (<https://www.dhhs.nh.gov/dphs/bchs/std/provider-info.htm>).
- 2.8. The Contractor shall participate in periodic Technical Assistance (TA) monitoring calls with the Department.
- 2.9. The Contractor shall collect, process, transmit and store client level data in a secure, electronic format as specified by the program or if reasonable via CAREWare for the completion of annual reports.
- 2.10. The Contractor shall notify the NH CARE Program and NH TBFA Program in writing of any newly hired administrator, clinical coordinator or any staff person essential to carrying out the contracted services and include a copy of the individuals resume, within thirty (30) days of hire.
- 2.11. The Contractor shall be eligible to apply once a year throughout the contract term for a micro-grant of up to \$5,000 to assist with the implementation of a quality improvement project focused on improving health outcomes, patient care, and/or patient satisfaction in accordance with the NH CARE Program micro-grant requirements upon the contract effective date.



Exhibit A-1
New Hampshire Department of Health and Human Services
NH CARE Program Annual Site Visit Process

NH CARE PROGRAM ANNUAL MONITORING SITE VISIT PROCESS

Annual Monitoring Site Visit Process – NH Ryan White Part B

Purpose of the Site Visit

The Health Resources Services Administration (HRSA), Health Administration Bureau (HAB), National Monitoring Standards require that the Ryan White HIV/AIDS Program Part B Recipient conduct annual site visits with each Subrecipient to ensure compliance on proper use of federal grant funds and adherence to fiscal, clinical, programmatic, and professional guidelines put in place.

The National Monitoring Standards may be found online:

Fiscal Standards: <https://hab.hrsa.gov/sites/default/files/hab/Global/fiscalmonitoringpartb.pdf>

Program Standards: <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>

Universal Standards:

<https://hab.hrsa.gov/sites/default/files/hab/Global/universalmonitoringpartab.pdf>

Monitoring Standards FAQs: <http://www.ccbh.net/s/programmonitoringfaq.pdf>

Including Tuberculosis Care Services subrecipient adherence to the NH statute RSA-141C:

<http://www.gencourt.state.nh.us/rsa/html/X/141-C/141-C-mrg.htm> and Administrative Rules HeP-

301.05: http://www.gencourt.state.nh.us/rules/state_agencies/he-p.html

NHRWCP Service Provider Responsibility

- Providers are required to maintain an individual case record or medical record for each client served.
- All billed services match services documented in records.
- All records are kept in a secure place and in an organized fashion.
- Providers review and are familiar with service monitoring tools.
- Assembling and preparing all necessary records and materials for completion of the service monitoring tools by the Recipients.
- Have knowledgeable staff available to answer questions that may arise.
- Make available to the Recipient all materials requested during monitoring visit.
- Submit to the Recipient a completed *Site Visit Monitoring Tool* form within one week of receipt of electronic notification of site visit.

NHRWCP – Part B Recipient Responsibility Prior to the Visit

- Providers will be notified electronically no later than fifteen days prior to an on-site visit of the date and time of visit.
- The electronic notification will include confirmation letter, day of site visit agenda, Fiscal and Programmatic Checklists and monitoring tool.
- No later than two (2) days before the monitoring site visit the Recipient shall provide a Monitoring Site Visit Random Sample Memo – list of records to be reviewed.



Exhibit A-1
New Hampshire Department of Health and Human Services
NH CARE Program Annual Site Visit Process

NH CARE PROGRAM ANNUAL MONITORING SITE VISIT PROCESS

NHRWCP – Part B Recipient Responsibility during the Site Visit

Conduct Opening Discussion

- Upon arrival at the monitoring location, Recipient staff will meet with appropriate provider staff to discuss the purpose of the visit, review prior year monitoring outcomes, and address any questions the provider staff may have. The provider staff will be asked to explain how their charts or electronic medical records are organized so that data is accurately collected.

Perform Monitoring

- Recipient staff will review the requested records and documents as outlined in the site visit conformation letter, using the monitoring tools. A random sample of client records is chosen for review as a means of verifying that services are being provided in accordance with established standards and recorded accurately. In order to ensure efficiency and accuracy of the monitoring process, appropriate provider staff must be available to Recipient staff when needed throughout the monitoring process.

Conducting Closing Discussion

- At the completion of the monitoring site visit, Recipient staff will summarize initial findings, highlighting strengths and areas in which there is opportunity for growth, and also providing direction and offering technical assistance on interim action steps (if necessary). Finally, the provider will be notified that formal written report of the visit will be sent.

NHRWCP – Part B Recipient Responsibility Following the Site Visit

Recipient will send a formal written report of the site visit findings

- A formal written report summarizing the monitoring site visit, including findings and recommendations, will be sent to each provider.

Conduct additional site visits as necessary

- Recipient office reserves the right to conduct additional site visits as necessary to verify the implementation of any recommended quality improvement activities.

Random Sampling

The sample population is randomly selected from a pool of unduplicated Ryan White clients who received services during the designated audit period. The number of charts selected for review is based on suggested sample size methodology provided through a National Monitoring Standards technical assistance webinar. Please note that the random selection of unduplicated clients may change at the discretion of the Recipient staff. An estimate of sample sizes is listed below:

- 51-100% of files/charts for service types with 50 clients or fewer
- 25-50% of files/charts for service types with 51 to 100 clients
- 10% of files/charts for service categories with 101 to 999 clients

Additional Considerations

Newly funded/contracted Providers

- For newly funded/contracted providers in a grant year, the Recipient will conduct an orientation site visit within six months of commencement of services. This site visit is an opportunity for the Recipient staff to give an overview of the roles and responsibilities of the Recipients and Subrecipient or provider.
- The orientation site visit will consist of a review of the monitoring tools, a review of the program, fiscal, and service delivery requirements.

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Exhibit A-1
New Hampshire Department of Health and Human Services
NH CARE Program Annual Site Visit Process

NH CARE PROGRAM ANNUAL MONITORING SITE VISIT PROCESS

Abbreviated Site Visit (Technical Conference Call)

- For providers who deliver billable services to 10 or fewer clients within a contract year, the Recipient will conduct an abridged site visit by way of a brief technical conference call. This call is an opportunity for the recipient staff to provide technical support and collaborate with the subrecipient.



New Hampshire Department of Health and Human Services
Providers for the NH CARE Program Contract

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 shall reimburse the Contractor for Outpatient/Ambulatory Health Services, NH Tuberculosis Financial Assistance (NHTBFA) Program Services, Oral Health Services and Mental Health & Substance Use Disorder Counseling/Treatment Services provided by the contractor to enrolled NH CARE Program clients and enrolled NH TBFA Program clients.
2. The Contractor shall maximize billing to private and commercial insurances, Medicare and Medicaid, for all reimbursable services rendered. ***The Department is the payor of last resort and services will be reimbursed at NH Medicaid rates.***
3. 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.
4. The funding source for this agreement for Outpatient/Ambulatory Health Services, NH TBFA Program Services, Oral Health Services and Mental Health & Substance Use Disorder Counseling/Treatment Services are 100% Other Funds from the Pharmaceutical Rebates in the amounts identified below:
 - 4.1. Funds for **Outpatient/Ambulatory Health Services** across all vendors, statewide, are anticipated to be \$275,000 and be available in the following amounts:
 - 4.1.1. \$100,000 for State Fiscal Year 2019.
 - 4.1.2. \$100,000 for State Fiscal Year 2020.
 - 4.1.3. \$75,000 for State Fiscal Year 2021.
 - 4.2. Funds for **NHTBFA Program Services** across all vendors, statewide, are anticipated to be \$55,000 and be available in the following amounts:
 - 4.2.1. \$20,000 for State Fiscal Year 2019.
 - 4.2.2. \$20,000 for State Fiscal Year 2020.
 - 4.2.3. \$15,000 for State Fiscal Year 2021.
 - 4.3. Funds for **Oral Health Services** across all vendors, statewide, are anticipated to be \$275,000 and be available in the following amounts for services and fees identified in Exhibit B-1, NH CARE Program Dental Fee Schedule:
 - 4.3.1. \$100,000 for State Fiscal Year 2019.
 - 4.3.2. \$100,000 for State Fiscal Year 2020.
 - 4.3.3. \$75,000 for State Fiscal Year 2021.



New Hampshire Department of Health and Human Services
Providers for the NH CARE Program Contract

Exhibit B

4.4. Funds for **Mental Health & Substance Use Disorder Counseling and Treatment Services** across all vendors, statewide, are anticipated to be \$82,500 and be available in the following amounts:

- 4.4.1. \$30,000 for State Fiscal year 2019.
- 4.4.2. \$30,000 for State Fiscal Year 2020.
- 4.4.3. \$22,500 for State Fiscal Year 2021.

5. Payments shall be made as follows:

5.1. The Contractor shall invoice NH CARE Program and the NH TBFA Program respectively for services using a health insurance claim form or reasonable facsimile. Additional invoicing methods may be approved by the Department.

5.2. The Contractor shall submit invoices no later than thirty (30) days from the date services are provided.

5.3. The Contractor shall submit completed invoices 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

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

5.5. The Contractor shall submit the final invoice no later than forty (40) days after the completion date indicated in Form P-37, General Provisions, Block 1.7, Completion Date.

6. 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.



New Hampshire Department of Health and Human Services
Providers for the NH CARE Program Contract

Exhibit B-1
NH CARE Program Dental Fee Schedule

Code	Procedure	Code	Fee
D 0120	Periodic oral evaluation	0120	41.00
D 0140	Limited oral evaluation	0140	60.00
D 0150	Comprehensive oral evaluation	0150	62.00
D 0160	Detailed and extensive oral eval	0160	124.00
D 0170	Re-eval, limited problem focused (estab patient)	0170	68.00
D 0171	Re-eval, post-op office visit	0171	42.00
D 0180	Comprehensive periodontal eval	0180	51.00
D 0210	Intraoral-complete series	0210	96.00
D 0220	Intraoral-Periapical 1st film	0220	15.00
D 0230	Intraoral-Periapical each additional	0230	10.00
D 0270	Bitewings - xray	0270	17.00
D 0272	Bitewings - two films	0272	25.00
D 0274	Bitewings - four films	0274	45.00
D 0330	Panoramic film	0330	83.00
D 1110	Prophylaxis adult	1110	85.00
D 1120	Prophylaxis child	1120	38.00
D 1208	Topical application of Flouride	1208	35.00
D 1320	Smoking Cessation Counseling	1320	54.00
D 1330	Oral hygiene instruction	1330	37.00
D 2140	Amalgam - 1 surface	2140	150.00
D.2150	Amalgam - 2 surface	2150	155.00
D 2160	Amalgam - 3 surface	2160	180.00
D 2161	Amalgam - 4/4+ surface	2161	200.00
D 2330	Resin-1 surface anterior	2330	131.00
D 2331	Resin-2 surface anterior	2331	143.00
D 2332	Resin-3 surface anterior	2332	147.00
D 2335	Resin-4/4+ surface anterior	2335	165.00
D 2391	Resin-1 surface posterior	2391	150.00
D 2392	Resin-2 surf. posterior	2392	155.00
D 2393	Resin-3 surface posterior	2393	180.00
D 2394	Resin-4/4+ surface posterior	2394	200.00
D 2740	Crown by request	2740	825.00



New Hampshire Department of Health and Human Services
Providers for the NH CARE Program Contract

D 2750	Crown request	2750	825.00
D 2751	Crown request	2751	775.00
Code	Procedure	Code	
D 2752	Crown	2752	775.00
D 2790	Crown	2790	775.00
D 2791	Crown	2791	775.00
D 2792	Crown	2792	775.00
D 2920	Crown (re-cementing)	2920	104.00
D 2940	Sedative filling	2940	75.00
D 2950	Core build up	2950	250.00
D 2954	Prefab post and core	2954	296.00
D 3310	Root Canal	3310	775.00
D 3320	Root Canal	3320	775.00
D 3330	Root Canal	3330	775.00
D 3348	Root Canal, previous RCT- molar	3348	1090.00
D 4341	Scaling-root planing (per quadrant)	4341	100.00
D 4342	Limited perio Scaling	4342	152.00
D 4355	Full mouth debridement	4355	90.00
D 4910	Periodontal maintenance	4910	120.00
D 5110	Complete denture- maxillary	5110	800.00
D 5120	Complete denture- mandibular	5120	800.00
D 5130	Immediate denture- maxillary	5130	875.00
D 5140	Immediate denture- mandibular	5140	875.00
D 5211	Maxillary partial- resin base	5211	600.00
D 5212	Maxillary partial- resin base	5212	600.00
D 5213	Max partial- cast metal w/resin	5213	1,300.00
D 5214	Mandibular partial- cast metal w/resin	5214	1,200.00
D 5225	Maxillary partial- flexible base	5225	500.00
D 5410	Adjust complete denture, maxillary	5410	50.00
D 5411	Adjust complete denture, mandibular	5411	50.00
D 5421	Adjust partial denture, maxillary	5421	50.00
D 5422	Adjust partial denture, mandibular	5422	50.00
D 5520	Replace denture teeth	5520	127.00
D 5610	Repair acrylic denture	5610	173.00
D 5630	Repair of broken clasp (for partial denture)	5630	171.00
D 5640	Replace broken tooth on partial	5640	149.00



**New Hampshire Department of Health and Human Services
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D 5650	Add tooth to existing partial denture	5650	196.00
D 5670	Replace all teeth/acrylic on cast metal framework	5670	359.00
Code	Procedure	Code	Fee
D 5730	Reline complete denture	5730	300.00
D 5750	Reline complete maxillary denture	5750	244.00
D 5751	Reline complete mandibular denture	5751	244.00
D 5760	Reline maxillary partial denture	5760	99.00
D 5761	Reline mandibular partial denture	5761	99.00
D 6240	Fixed partial denture pontics- porcelain to metal	6240	1,052.00
D 6245	Pontic- porcelain/ceramic	6245	961.00
D 6548	Retainer- porcelain/ceramic - resin-bonded fixed prosthesis	6548	573.00
D 6740	Retainer Crown - porcelain/ceramic	6740	914.00
D 6750	Fixed partial denture retainer- porcelain to metal	6750	1,035.00
D 7140	Extraction- erupted/exposed	7140	150.00
D 7210	Extraction- surgical-implant bony	7210	225.00
D 7240	Removal of impacted tooth	7240	348.00
D 7261	Removal impacted tooth w/complications	7261	225.00
D 7285	Biopsy of oral tissue- hard	7285	450.00
D 7286	Biopsy of oral tissue- soft	7286	259.00
D 7310	Alveoloplasty - per quadrant	7310	275.00
D 7311	Alveoloplasty w/extrac. 1-3 teeth/spaces per quadrant	7311	143.00
D 7321	Alveoloplasty without extractions	7321	341.00
D 7472	Removal of torus palatinus mandibular- 2 quadrants	7472	400.00
D 7473	Removal of torus mandibularis- 2 quadrants	7473	400.00
D 7510	Incision and drainage of abscess	7510	150.00
D 9110	Palliative Tx of dental pain	9110	33.00
D 9220	General anesthesia (first 30 min.)	9220	100.00
D 9221	General anesthesia (each additional 15 min.)	9221	40.00
D 9230	Inhalation of nitrous oxide/analgesia anxiolysis	9230	71.00
D 9241	Intravenous conscious sedation/first 30 min	9241	100.00
D 9242	Intravenous conscious sedation/each additional 30 min	9242	40.00
D 9310	Dental consultation	9310	68.00
D 9612	Parenteral drug injection @ 77.00 each	9612	77.00
D 9910	Application of Desensitizing Medicament	9910	57.00
D 9940	Mouth guard	9940	110.00

New Hampshire Department of Health and Human Services
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SPECIAL PROVISIONS

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

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

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

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

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

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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



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

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

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

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

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

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

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

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

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



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- 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.

New Hampshire Department of Health and Human 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 9.2 of the General Provisions of this contract, is amended to read:

All materials developed by contractor or its subcontractors to provide the Services under this Agreement will remain the property of Contractor or its subcontractors.

3. Subparagraph 9.3 of the General Provisions of this contract, is amended to read:

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; provided, however, prior written approval of the State shall not be required for Contractor of its agents or subcontractors to disclose the data solely for purposes of providing Services in accordance with this Agreement.

4. 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.

**New Hampshire Department of Health and Human Services
Exhibit C-1**



5. Subparagraph 14.1.2 of the General Provisions of this contract, Insurance, is deleted.
6. Subparagraph 15.2 of the General Provisions of this contract, is amended to read:

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 as required in N.H. RSA chapter 281-A. 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.

7. Paragraph 14, of the Special Provisions, Exhibit C, Prior Approval and Copyright Ownership is amended to read:

All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. Contractor grants to the State an irrevocable, non-exclusive, worldwide, royalty-free right and license to use, reproduce, display, and distribute copies of all original materials produced, including, but not limited to, brochures, resource directors, protocols or guidelines, posters or reports, in the provision of these Services. The Contractor shall, and shall require any subcontractor or assignee to, obtain prior written approval from DHHS before using any information or data provided by the State in any materials to be used for purposes other than providing Services under this Agreement.

8. The Department reserves the right to renew the Contract for up to three (3) additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.

New Hampshire Department of Health and Human Services
Exhibit D



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

UB



New Hampshire Department of Health and Human Services
Exhibit D

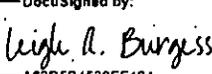
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 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:

6/2/2020
Date

DocuSigned by:

 A63D5B4538EF494...
 Name: Leigh Burgess
 Title: Vice President, Office of Research Operations



New Hampshire Department of Health and Human Services
Exhibit E

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

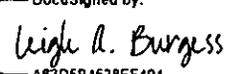
The undersigned certifies, to the best of his or her knowledge and belief, that:

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:

6/2/2020
Date

DocuSigned by:

 Name: Leigh Burgess
 Title: Vice President, Office of Research Operations



New Hampshire Department of Health and Human Services
Exhibit F

**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



New Hampshire Department of Health and Human Services
Exhibit F

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

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

PRIMARY COVERED TRANSACTIONS

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

6/2/2020
Date

DocuSigned by:
Leigh A. Burgess
A6305B4538EF494...
Name: Leigh Burgess
Title: Vice President, Office of Research Operations

New Hampshire Department of Health and Human Services
Exhibit G



**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 LAB

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:

6/2/2020
Date

DocuSigned by:
Leigh A. Burgess
Name: Leigh Burgess
Title: Vice President, Office of Research Operations

Exhibit G

Contractor Initials LB

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 H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name:

6/2/2020
Date

DocuSigned by:
Leigh A. Burgess
A63D5B4538EF494...
Name: Leigh Burgess
Title: Vice President, Office of Research Operations



New Hampshire Department of Health and Human Services

Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Reserved



New Hampshire Department of Health and Human Services
Exhibit J

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

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

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

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

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

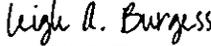
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees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

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

Contractor Name:

6/2/2020

Date

DocuSigned by:

 AB30584538EF404...
 Leigh Burgess
 Title: Vice President, Office of Research Operations

Contractor Initials

LAB

Date 6/2/2020



New Hampshire Department of Health and Human Services
Exhibit J

FORM A

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

1. The DUNS number for your entity is: 06-991-0297

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

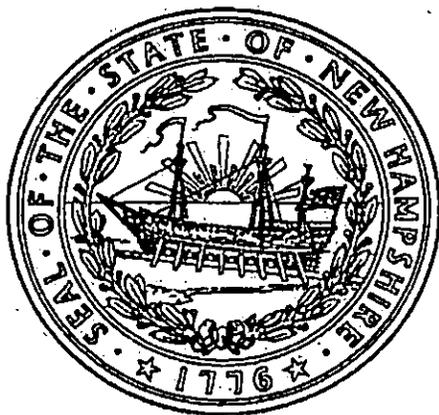
Department of State

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 registered to transact business in New Hampshire on March 01, 1983. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 69168

Certificate Number: 0004905337



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st day of May A.D. 2020.

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

William M. Gardner
Secretary of State



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

CERTIFICATE OF VOTE/AUTHORITY

I, Charles G. Plimpton, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital, do hereby certify that:

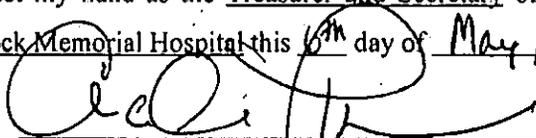
1. I am the duly elected Treasurer and Secretary of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital;
2. The following is a true and accurate excerpt from the December 7th, 2012 Bylaws of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital:

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

“In exercising this [fiduciary] duty, the Board may, consistent with the Corporation’s Articles of Agreement and these Bylaws, delegate authority to the Board of Governors, Board Committees and various officers the right to give input with respect to issues and strategies, incur indebtedness, make expenditures, enter into contracts and agreements and take such other binding actions on behalf of the Corporation as may be necessary or desirable.”

3. Article I – Section A, as referenced above, provides authority for the chief officers, including the Chief Executive Officer, the Chief Clinical Officer, and other officers, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital to sign and deliver, either individually or collectively, on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.
4. Edward J. Merrens, MD is the Chief Clinical Officer of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital and therefore has the authority to enter into contracts and agreements on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.

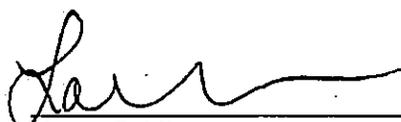
IN WITNESS WHEREOF, I have hereunto set my hand as the Treasurer and Secretary of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital this 6th day of May, 2020


 Charles G. Plimpton, Board Treasurer and Secretary

STATE OF NH
 COUNTY OF GRAFTON

The foregoing instrument was acknowledged before me this 6th day of May, 2020, by Charles G. Plimpton.




 Notary Public
 My Commission Expires: April 19, 2022



Susan Reeves, EdD, RN, CENP

**Chief Nursing Executive
Dartmouth-Hitchcock Health
Executive Vice President, Research & Education
Dartmouth-Hitchcock**

Dartmouth-Hitchcock Medical Center

One Medical Center Drive
Lebanon, NH 03756-0001
Phone (603) 650-5706
Dartmouth-Hitchcock.org

May 13, 2020

Thomas Kaempfer
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301

Dear Mr. Kaempfer:

At the request of the State of New Hampshire, I am writing to notify you that, as noted in the attached Delegation of Signing Authority from July 23, 2018, in her role as Vice President of Research Operations, Leigh A. Burgess, MSA, MEd, MA, continues to have authority to sign contracts on behalf of Dartmouth-Hitchcock which have a funding amount not to exceed \$3,000,000 and which have a term of less than five (5) years.

Please do not hesitate to reach out should you require further documentation.

Sincerely,

A handwritten signature in cursive script that reads "Susan A. Reeves RN".

Susan A. Reeves, EdD, RN, CENP
Chief Nursing Executive
Dartmouth-Hitchcock Health
Executive Vice President, Research & Education
Dartmouth-Hitchcock

CERTIFICATE OF INSURANCE	DATE: July 1, 2020
---------------------------------	---------------------------

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

INSURED
Dartmouth-Hitchcock Clinic
One Medical Center Drive
Lebanon, NH 03756
(603)653-6850

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

COVERAGES

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

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS					
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%; text-align:center;">X</td> <td style="width:15%;">CLAIMS MADE</td> </tr> <tr> <td></td> <td style="text-align:center;">OCCURRENCE</td> </tr> </table>	X	CLAIMS MADE		OCCURRENCE	0002020-A	07/01/2020	07/01/2021	EACH OCCURRENCE	\$1,000,000
	X	CLAIMS MADE							
		OCCURRENCE							
	DAMAGE TO RENTED PREMISES	\$100,000							
	MEDICAL EXPENSES	N/A							
PERSONAL & ADV INJURY	\$1,000,000								
GENERAL AGGREGATE									
OTHER				PRODUCTS-COMP/OP AGG	\$1,000,000				
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%;"></td> <td style="width:15%;">CLAIMS MADE</td> </tr> <tr> <td></td> <td style="text-align:center;">OCCURRENCE</td> </tr> </table>		CLAIMS MADE		OCCURRENCE				EACH CLAIM	
		CLAIMS MADE							
		OCCURRENCE							
	ANNUAL AGGREGATE								
OTHER									

DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTIONS)

Certificate is issued as evidence of insurance only.

CERTIFICATE HOLDER

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

CANCELLATION
Should any of the above described policies be cancelled before the expiration date thereof, 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





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



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Dartmouth-Hitchcock Health and Subsidiaries

**Report on Federal Awards in Accordance With the
Uniform Guidance**

June 30, 2019

EIN #02-0222140

Dartmouth-Hitchcock Health and Subsidiaries
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June 30, 2019

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Part I

**Financial Statements and
Schedule of Expenditures of Federal Awards.**



Report of Independent Auditors

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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



Opinion

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

Emphasis of Matter

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

Other Matters

Other Information

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

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



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

Other Reporting Required by Government Auditing Standards

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

Principotuhoua Cooper LLP

Boston, Massachusetts
November 26, 2019

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

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

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

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

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

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

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

Dartmouth-Hitchcock Health and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

1. Organization and Community Benefit Commitments

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

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

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

Community Benefits

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

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

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

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

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

- *Health Professions Education* includes uncompensated costs of training medical students, Residents, nurses, and other health care professionals.
- *Subsidized health services* are services provided by the Health System, resulting in financial losses that meet the needs of the community and would not otherwise be available unless the responsibility was assumed by the government.
- *Research support and other grants* represent costs in excess of awards for numerous health research and service initiatives awarded to the organizations within the Health System.
- *Financial Contributions* include financial contributions of cash, as well as in-kind contributions such as time, supplies, and expertise to local organizations to address community health needs.
- *Community-Building Activities* include expenses incurred to support the development of programs and partnerships intended to address public health challenges as well as social and economic determinants of health. Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement.
- *Community Benefit Operations* includes costs associated with staff dedicated to administering benefit programs, community health needs assessment costs, and other costs associated with community benefit planning and operations.
- *Charity Care and Costs of Government Sponsored Health Care* includes losses, at-cost, incurred by providing health care services to persons qualifying for hospital financial assistance programs, and uncompensated costs of providing health care services to patients who are Medicaid Beneficiaries.
- *The uncompensated cost of care for Medicaid patients* reported in the unaudited Community Benefits Reports for 2018 was approximately \$139,683,000. The 2019 Community Benefits Reports are expected to be filed in February 2020.

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

(in thousands of dollars)

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

Dartmouth-Hitchcock Health and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Use of Estimates

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

Excess of Revenue Over Expenses

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

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

Charity Care

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

Dartmouth-Hitchcock Health and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

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

Patient Service Revenue

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

Contracted Revenue

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

Other Revenue

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

Cash Equivalents

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

Investments and Investment Income

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

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

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

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

Fair Value Measurement of Financial Instruments

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

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities.
- Level 2 Prices other than quoted prices in active markets that are either directly or indirectly observable as of the date of measurement.
- Level 3 Prices or valuation techniques that are both significant to the fair value measurement and unobservable.

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

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

Property, Plant, and Equipment

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

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

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

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

Bond Issuance Costs

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

Intangible Assets and Goodwill

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

Derivative Instruments and Hedging Activities

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

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

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

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

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

Gifts

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

Recently Issued Accounting Pronouncements

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

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

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

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

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

3. Acquisitions

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

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

4. Patient Service Revenue and Accounts Receivable

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

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

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

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

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

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Explicit Pricing Concessions

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

- Inpatient acute care services provided to Medicare program beneficiaries are paid using the prospective payment system ("PPS") to determine rates-per-discharge. These rates vary according to a patient classification system ("DRG"), based on diagnostic, clinical and other factors. In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system, based on a pre-determined amount for each outpatient procedure (APC), subject to various mandated modifications. Retrospectively determined cost-based revenues under these programs, such as indirect medical education, direct graduate medical education, disproportionate share hospital, transplant services, and bad debt reimbursement are based on the hospital's cost reports and are estimated using historical trends and current factors. The Health System's payments for inpatient services rendered to New Hampshire ("NH") and Vermont ("VT") Medicaid beneficiaries are based on PPS, while outpatient services are reimbursed on a retrospective cost basis or fee schedules for NH beneficiaries. VT outpatient beneficiaries are paid on a prospective basis per outpatient procedure.
- Inpatient acute, swing, and outpatient services furnished by critical access hospitals ("CAH") are reimbursed by Medicare at 101% of reasonable costs, subject to 2% sequestration, excluding ambulance services and inpatient hospice care.
- Providers of home health services to patients eligible for Medicare home health benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the patient at a rate determined by federal guidelines.
- Hospice services to patients eligible for Medicare hospice benefits are paid on a per diem basis, with no retrospective settlement, provided the aggregate annual Medicare reimbursement is below a predetermined aggregate capitated rate.
- The Health System's cost based services to Medicare and Medicaid are reimbursed during the year based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subject to audit of this report by Medicare and Medicaid auditors, as well as administrative and judicial review. Because the laws, regulations, and rule interpretations, governing Medicare and Medicaid reimbursement are complex and change frequently, the estimates recorded could change over time by material amounts.
- Revenues under Managed Care Plans (Plans) consist primarily of payment terms involving mutually agreed upon rates per diagnosis, discounted fee-for service rates, or similar contractual arrangements. These revenues are also subject to review and possible audit. The Plans are billed for patient services on an individual patient basis. An individual patient's bill is subject to adjustments in accordance with contractual terms in place with the Plans following their review and adjudication of each bill.

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

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

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

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

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

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

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

Implicit Price Concessions

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

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

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

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

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

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

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

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

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Accounts Receivable

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

(in thousands of dollars)

	2019	2018
Patient accounts receivable	\$ 221,125	\$ 351,456
Less: Allowance for doubtful accounts	<u>-</u>	<u>(132,228)</u>
Patient accounts receivable	<u>\$ 221,125</u>	<u>\$ 219,228</u>

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

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

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5. Investments

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

<i>(in thousands of dollars)</i>	2019	2018
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	\$ 21,890	\$ 8,558
U.S. government securities	91,492	50,484
Domestic corporate debt securities	196,132	109,240
Global debt securities	83,580	110,944
Domestic equities	167,384	142,796
International equities	128,909	106,668
Emerging markets equities	23,086	23,562
Real estate investment trust	213	816
Private equity funds	64,563	50,415
Hedge funds	32,287	32,831
	<u>809,536</u>	<u>636,314</u>
Investments held by captive insurance companies (Note 12)		
U.S. government securities	23,241	30,581
Domestic corporate debt securities	11,378	16,764
Global debt securities	10,080	4,513
Domestic equities	14,617	8,109
International equities	6,766	7,971
	<u>66,082</u>	<u>67,938</u>
Held by trustee under indenture agreement (Note 10)		
Cash and short-term investments	631	1,872
	<u>876,249</u>	<u>706,124</u>
Other investments for restricted activities		
Cash and short-term investments	6,113	4,952
U.S. government securities	32,479	28,220
Domestic corporate debt securities	29,089	29,031
Global debt securities	11,263	14,641
Domestic equities	20,981	20,509
International equities	15,531	17,521
Emerging markets equities	2,578	2,155
Real estate investment trust	-	954
Private equity funds	7,638	4,878
Hedge funds	8,414	8,004
Other	33	31
	<u>134,119</u>	<u>130,896</u>
Total other investments for restricted activities	<u>134,119</u>	<u>130,896</u>
Total investments	<u>\$ 1,010,368</u>	<u>\$ 837,020</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 for all debt securities and equity securities that are traded on active markets and are valued at prices that are readily available in those markets. The equity method is used when investments are made in pooled/commingled investment funds that represent investments where shares or units are owned of pooled funds rather than the underlying securities in that fund. These pooled/commingled funds make underlying investments in securities from the asset classes listed above. All investments, whether the fair value or equity method of accounting is used, are reported at what the Health System believes to be the amount that the Health System would expect to receive if it liquidated its investments at the balance sheets date on a nondistressed basis.

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

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

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

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

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

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

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

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6. Property, Plant, and Equipment

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

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

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

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

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

7. Fair Value Measurements

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

Cash and Short-Term Investments

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

Domestic, Emerging Markets and International Equities

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

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U.S. Government Securities, Domestic Corporate and Global Debt Securities

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

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

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

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

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

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

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

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

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

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8. Net Assets With Donor Restrictions

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

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

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

9. Board Designated and Endowment Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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10. Long-Term Debt

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

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

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

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

* Represents nonobligated group bonds

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

<i>(in thousands of dollars)</i>	
2020	\$ 10,914
2021	10,693
2022	10,843
2023	7,980
2024	3,016
Thereafter	699,639
	<u>\$ 743,085</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 D-HH, MHMH, DHC, Cheshire, NLH, MAHHC, and, effective August 15, 2018, APD. D-HH is designated as the obligated group agent.

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

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

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

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

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

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

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

(4) Series 2018C Revenue Bonds

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

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(5) Series 2012 Revenue Bonds

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

(6) Series 2016B Revenue Bonds

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

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

Non-Obligated Group Bonds

(1) Series 2010 Revenue Bonds

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

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

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

Swap Agreements

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

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

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11. Employee Benefits

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

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

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

Defined Benefit Plans

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	2019	2018
Cash and short-term investments	2 %	4 %
U.S. government securities	5	5
Domestic debt securities	44	41
Global debt securities	9	9
Domestic equities	20	20
International equities	11	11
Emerging market equities	4	5
Hedge funds	5	5
	<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 7.50% per annum.

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

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

(in thousands of dollars)

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

Dartmouth-Hitchcock Health and Subsidiaries
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Defined Contribution Plans

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

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

Postretirement Medical and Life Benefits

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

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

<i>(in thousands of dollars)</i>	2019	2018
Service cost	\$ 384	\$ 533
Interest cost	1,842	1,712
Net prior service income	(5,974)	(5,974)
Net loss amortization	10	10
	<u>\$ (3,738)</u>	<u>\$ (3,719)</u>

The following table sets forth the accumulated postretirement medical and life benefit obligation and amounts recognized in the Health System's consolidated financial statements at June 30, 2019 and 2018:

<i>(in thousands of dollars)</i>	2019	2018
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 42,581	\$ 42,277
Service cost	384	533
Interest cost	1,842	1,712
Benefits paid	(3,149)	(3,174)
Actuarial loss	5,013	1,233
Employer contributions	-	-
Benefit obligation at end of year	<u>46,671</u>	<u>42,581</u>
Funded status of the plans	<u>\$ (46,671)</u>	<u>\$ (42,581)</u>
Current portion of liability for postretirement medical and life benefits	\$ (3,422)	\$ (3,266)
Long term portion of liability for postretirement medical and life benefits	<u>(43,249)</u>	<u>(39,315)</u>
Liability for postretirement medical and life benefits	<u>\$ (46,671)</u>	<u>\$ (42,581)</u>

Dartmouth-Hitchcock Health and Subsidiaries
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As of June 30, 2019 and 2018, the liability for postretirement medical and life benefits is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic postretirement medical and life benefit income and included in the change in net assets without donor restrictions are as follows:

<i>(in thousands of dollars)</i>	2019	2018
Net prior service income	\$ (9,556)	\$ (15,530)
Net actuarial loss	8,386	3,336
	<u>\$ (1,170)</u>	<u>\$ (12,194)</u>

The estimated amounts that will be amortized from net assets without donor restrictions into net periodic postretirement income in fiscal year 2020 for net prior service cost is \$5,974,000.

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the year ending June 30, 2020 and thereafter:

<i>(in thousands of dollars)</i>	
2020	\$ 3,468
2021	3,436
2022	3,394
2023	3,802
2024	3,811
2025-2028	17,253

In determining the accumulated postretirement medical and life benefit obligation, the Health System used a discount rate of 3.70% in 2019 and an assumed healthcare cost trend rate of 6.50%, trending down to 5.00% in 2024 and thereafter. Increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement medical benefit obligation as of June 30, 2019 and 2018 by \$1,601,000 and \$1,088,000 and the net periodic postretirement medical benefit cost for the years then ended by \$77,000 and \$81,000, respectively. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated postretirement medical benefit obligation as of June 30, 2019 and 2018 by \$1,452,000 and \$996,000 and the net periodic postretirement medical benefit cost for the years then ended by \$71,000 and \$72,000, respectively.

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Notes to Consolidated Financial Statements
June 30, 2019 and 2018

12. Professional and General Liability Insurance Coverage

Mary Hitchcock Memorial Hospital and Dartmouth-Hitchcock Clinic, along with Dartmouth College, Cheshire Medical Center, The New London Hospital Association, Mt. Ascutney Hospital and Health Center, and the Visiting Nurse and Hospice for VT and NH are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a VT captive insurance company. Effective November 1, 2018 Alice Peck Day Memorial Hospital is provided professional and general liability insurance coverage through RRG. RRG reinsures the majority of this risk to Hamden Assurance Company Limited (HAC), a captive insurance company domiciled in Bermuda and to a variety of commercial reinsurers. Mary Hitchcock Memorial Hospital, Dartmouth-Hitchcock Clinic, and Dartmouth College have ownership interests in both HAC and RRG. The insurance program provides coverage to the covered institutions and named insureds on a modified claims-made basis which means coverage is triggered when claims are made. Premiums and related insurance deposits are actuarially determined based on asserted liability claims adjusted for future development. The reserves for outstanding losses are recorded on an undiscounted basis.

Selected financial data of HAC and RRG, taken from the latest available financial statements at June 30, 2019 and 2018, are summarized as follows:

<i>(in thousands of dollars)</i>	2019		
	HAC	RRG	Total
Assets	\$ 75,867	\$ 2,201	\$ 78,068
Shareholders' equity	13,620	50	13,670

<i>(in thousands of dollars)</i>	2018		
	HAC	RRG	Total
Assets	\$ 72,753	\$ 2,068	\$ 74,821
Shareholders' equity	13,620	50	13,670

13. Commitments and Contingencies

Litigation

The Health System is involved in various malpractice claims and legal proceedings of a nature considered normal to its business. The claims are in various stages and some may ultimately be brought to trial. While it is not feasible to predict or determine the outcome of any of these claims, it is the opinion of management that the final outcome of these claims will not have a material effect on the consolidated financial position of the Health System.

Operating Leases and Other Commitments

The Health System leases certain facilities and equipment under operating leases with varying expiration dates. The Health System's rental expense totaled approximately \$12,707,000 and \$14,096,000 for the years ended June 30, 2019 and 2018, respectively.

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Minimum future lease payments under noncancelable operating leases at June 30, 2019 were as follows:

(in thousands of dollars)

2020	\$ 11,342
2021	10,469
2022	7,488
2023	6,303
2024	4,127
Thereafter	<u>5,752</u>
	<u>\$ 45,481</u>

Lines of Credit

The Health System has entered into Loan Agreements with financial institutions establishing access to revolving loans ranging from \$2,000,000 up to \$30,000,000. Interest is variable and determined using LIBOR or the Wall Street Journal Prime Rate. The Loan Agreements are due to expire March 27, 2020. There was no outstanding balance under the lines of credit as of June 30, 2019 and 2018. Interest expense was approximately \$95,000 and \$232,000, respectively, and is included in the consolidated statements of operations and changes in net assets.

14. Functional Expenses

Operating expenses are presented by functional classification in accordance with the overall service missions of the Health System. Each functional classification displays all expenses related to the underlying operations by natural classification. Salaries, employee benefits, medical supplies and medications, and purchased services and other expenses are generally considered variable and are allocated to the mission that best aligns to the type of service provided. Medicaid enhancement tax is allocated to program services. Interest expense is allocated based on usage of debt-financed space. Depreciation and amortization is allocated based on square footage and specific identification of equipment used by department.

Operating expenses of the Health System by functional and natural basis are as follows for the year ended June 30, 2019:

<i>(in thousands of dollars)</i>	2019			
	Program Services	Management and General	Fundraising	Total
Operating expenses				
Salaries	\$ 922,902	\$ 138,123	\$ 1,526	\$ 1,062,551
Employee benefits	178,983	72,289	319	251,591
Medical supplies and medications	406,782	1,093	-	407,875
Purchased services and other	212,209	108,783	2,443	323,435
Medicaid enhancement tax	70,061	-	-	70,061
Depreciation and amortization	37,528	50,785	101	88,414
Interest	3,360	22,135	19	25,514
Total operating expenses	<u>\$ 1,831,825</u>	<u>\$ 393,208</u>	<u>\$ 4,408</u>	<u>\$ 2,229,441</u>

Operating expenses of the Health System by functional classification are as follows for the year ended June 30, 2018:

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Consolidated Financial Statements
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(in thousands of dollars)

Program services	\$ 1,715,760
Management and general	303,527
Fundraising	<u>2,354</u>
	<u>\$ 2,021,641</u>

15. Liquidity

The Health System is substantially supported by cash generated from operations. In addition, the Health System holds financial assets for specific purposes which are limited as to use. Thus, certain financial assets reported on the accompanying consolidated balance sheet may not be available for general expenditure within one year of the balance sheet date.

The Health System's financial assets available at June 30, 2019 to meet cash needs for general expenditures within one year of June 30, 2019 are as follows:

(in thousands of dollars)

Cash and cash equivalents	\$ 143,587
Patient accounts receivable	221,125
Assets limited as to use	876,249
Other investments for restricted activities	<u>134,119</u>
Total financial assets	1,375,080
Less: Those unavailable for general expenditure within one year:	
Investments held by captive insurance companies	66,082
Investments for restricted activities	134,119
Other investments with liquidity horizons greater than one year	<u>97,063</u>
Total financial assets available within one year	<u>\$ 1,077,816</u>

For the years ending June 30, 2019 and June 30, 2018, the Health System generated positive cash flow from operations of approximately \$161,853,000 and \$136,031,000, respectively. In addition, the Health System's liquidity management plan includes investing excess daily cash in intermediate or long term investments based on anticipated liquidity needs. The Health System has an available line of credit of up to \$30,000,000 which it can draw upon as needed to meet its liquidity needs. See Note 13 for further details on the line of credit.

16. Subsequent Events

The Health System has assessed the impact of subsequent events through November 26, 2019, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Effective September 30, 2019, the Boards of Trustees of D-HH, GraniteOne Health, Catholic Medical Center Health Services, and their respective member organizations approved a Combination Agreement to combine their healthcare systems. If regulatory approval of the

Dartmouth-Hitchcock Health and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

transaction is obtained, the name of the new system will be Dartmouth-Hitchcock Health GraniteOne.

The GraniteOne Health system is comprised of Catholic Medical Center (CMC), a community hospital located in Manchester NH, Huggins Hospital located in Wolfeboro NH, and Monadnock Community Hospital located in Peterborough NH. Both Huggins Hospital and Monadnock Community Hospital are designated as Critical Access Hospitals. GraniteOne is a non-profit, community based health care system.

On September 13, 2019, the Board of Trustees of D-HH approved the issuance of up to \$100,000,000 par of new debt. On October 17, 2019, D-HH closed on the direct placement tax-exempt borrowing of \$99,165,000 on behalf of the DHOG acting through the New Hampshire Health and Education Facilities Authority and issued its DHOG Issue, Series 2019A Bonds.

On January 29, 2020, D-HH closed on a tax-exempt borrowing of \$125,000,000 on behalf of the DHOG acting through the New Hampshire Health and Education Facilities Authority and issued its DHOG Issue, Series 2020A Bonds.

17. Subsequent Events - Unaudited

Subsequent to the issuance of the audited financial statements on November 26, 2019, the novel strain of coronavirus emerged and in January 2020 the World Health Organization has declared the novel coronavirus a Public Health Emergency of International Concern. Beginning in March 2020, the State of New Hampshire and Vermont have adopted various measures to address the spread of this pandemic, including supporting social distancing, requests to stay home unless necessary (i.e., groceries or medications) and work from home recommendations. Such restrictions and the perception that such orders or restrictions could occur, have resulted in business closures, work stoppages, slowdowns and delays, work-from-home policies, travel restrictions and cancellation of events, including the rescheduling of elective or non-critical procedures (which management believes is temporary and such procedures will be performed at a later date) and redeployment of resources to address the novel coronavirus needs, among other effects. The outbreak has also negatively impacted the financial markets and has and may continue to materially affect the returns on and value of our investments. While we expect that the novel coronavirus may negatively impact our 2020 results, we believe we have sufficient liquidity to meet our operating and financing needs; however, given the difficulty in predicting the ultimate duration and severity of the impact of the novel coronavirus on our organization, the economy and the financial markets, the ultimate impact may be material.

Consolidating Supplemental Information – Unaudited

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

(in thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	Alice Peck Day Memorial	New London Hospital Association	St. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets											
Current assets											
Cash and cash equivalents	\$ 42,456	\$ 47,465	\$ 9,411	\$ 7,096	\$ 10,462	\$ 8,372	\$ -	\$ 125,232	\$ 18,355	\$ -	\$ 143,587
Patient accounts receivable, net	-	150,938	15,840	7,279	8,960	5,010	-	218,067	3,058	-	221,125
Prepaid expenses and other current assets	14,178	139,034	8,563	2,401	5,587	1,423	(74,063)	97,083	1,421	(3,009)	95,495
Total current assets	56,634	367,437	33,854	16,746	24,989	14,805	(74,063)	440,382	22,834	(3,009)	460,207
Assets limited as to use											
Notes receivable, related party	92,802	888,485	18,759	12,884	12,427	11,619	-	836,578	39,673	-	876,249
Other investments for restricted activities	553,484	752	-	1,406	-	-	(554,236)	1,406	(1,406)	-	-
Property, plant, and equipment, net	-	91,882	8,970	31	2,873	6,323	-	108,179	25,846	-	134,119
Other assets	22	432,277	67,147	30,945	41,846	17,797	-	590,134	31,122	-	621,256
Total assets	\$ 727,006	\$ 1,869,041	\$ 128,009	\$ 76,831	\$ 88,377	\$ 54,932	\$ (639,289)	\$ 2,125,507	\$ 115,150	\$ (24,355)	\$ 2,216,302
Liabilities and Net Assets											
Current liabilities											
Current portion of long-term debt	\$ -	\$ 8,226	\$ 830	\$ 954	\$ 547	\$ 262	\$ -	\$ 10,819	\$ 95	\$ -	\$ 10,914
Current portion of liability for pension and other postretirement plan benefits	-	3,468	-	-	-	-	-	3,468	-	-	3,468
Accounts payable and accrued expenses	55,499	89,884	15,620	6,299	3,878	2,778	(74,083)	109,673	6,953	(3,009)	113,817
Accrued compensation and related benefits	-	110,839	5,851	3,694	2,313	4,270	-	126,767	1,641	-	128,408
Estimated third-party settlements	-	29,405	103	1,290	10,851	2,921	-	41,570	-	-	41,570
Total current liabilities	55,499	248,822	22,404	12,237	17,589	10,228	(74,083)	292,497	8,699	(3,009)	298,177
Notes payable, related party	-	526,202	-	-	28,034	-	(554,236)	-	-	-	-
Long-term debt, excluding current portion	643,257	44,820	24,503	35,604	643	11,485	(10,970)	749,322	2,858	-	752,180
Insurance deposits and related liabilities	-	56,786	440	513	388	240	-	58,367	40	-	58,407
Liability for pension and other postretirement plan benefits, excluding current portion	-	266,427	10,262	-	-	4,320	-	281,009	-	-	281,009
Other liabilities	-	88,201	1,104	28	1,585	-	-	100,918	23,218	-	124,136
Total liabilities	699,756	1,241,058	58,713	48,362	48,239	29,254	(639,289)	1,482,113	34,605	(3,009)	1,513,909
Commitments and contingencies											
Net assets											
Net assets without donor restrictions	28,832	356,880	63,051	27,853	35,518	21,242	-	533,178	48,063	(21,306)	559,933
Net assets with donor restrictions	18	81,103	8,245	796	4,820	7,436	-	110,218	32,282	(49)	142,480
Total net assets	28,850	447,983	69,296	28,449	40,138	28,678	-	643,396	80,345	(21,346)	702,393
Total liabilities and net assets	\$ 727,606	\$ 1,869,041	\$ 128,009	\$ 76,831	\$ 88,377	\$ 54,932	\$ (639,289)	\$ 2,125,507	\$ 115,150	\$ (24,355)	\$ 2,216,302

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Consolidating Balance Sheets
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<i>(In thousands of dollars)</i>	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD and Subsidiaries	VNH and Subsidiaries	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	\$ 42,456	\$ 48,052	\$ 11,952	\$ 11,120	\$ 8,549	\$ 15,772	\$ 5,886	\$ -	\$ 143,587
Patient accounts receivable, net	-	180,938	15,880	8,980	5,080	7,280	3,007	-	221,125
Prepaid expenses and other current assets	14,178	139,832	9,460	5,567	1,401	1,878	471	(77,092)	95,495
Total current assets	56,634	368,822	37,292	25,647	15,010	24,730	9,164	(77,092)	460,207
Assets limited as to use									
Notes receivable, related party	92,602	707,597	17,383	12,427	12,738	12,685	20,817	-	876,249
Other investments for restricted activities	553,484	752	-	-	-	-	-	(554,236)	-
Property, plant, and equipment, net	-	99,607	24,985	2,973	6,323	31	-	-	134,119
Other assets	22	434,953	70,846	42,423	19,435	50,338	3,239	-	621,256
Total assets	\$ 727,806	\$ 1,720,297	\$ 157,894	\$ 88,946	\$ 55,437	\$ 96,472	\$ 33,294	\$ (683,644)	\$ 2,216,302
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	\$ -	\$ 8,228	\$ 830	\$ 547	\$ 288	\$ 954	\$ 69	\$ -	\$ 10,914
Current portion of liability for pension and other postretirement plan benefits	-	3,468	-	-	-	-	-	-	3,468
Accounts payable and accrued expenses	55,499	100,441	19,356	3,879	2,856	6,704	2,174	(77,092)	113,817
Accrued compensation and related benefits	-	110,639	5,851	2,313	4,314	4,192	1,099	-	128,408
Estimated third-party settlements	-	26,405	103	10,851	2,921	1,290	-	-	41,570
Total current liabilities	55,499	249,179	26,140	17,590	10,379	13,140	3,342	(77,092)	298,177
Notes payable, related party	-	526,202	-	28,034	-	-	-	(554,236)	-
Long-term debt, excluding current portion	643,257	44,820	24,503	643	11,783	35,604	2,560	(10,970)	752,180
Insurance deposits and related liabilities	-	58,786	440	388	240	513	40	-	58,407
Liability for pension and other postretirement plan benefits, excluding current portion	-	266,427	10,262	-	4,320	-	-	-	281,009
Other liabilities	-	98,201	1,115	1,585	-	23,235	-	-	124,136
Total liabilities	698,756	1,241,815	82,463	48,240	28,702	72,492	5,942	(642,298)	1,513,909
Commitments and contingencies									
Net assets									
Net assets without donor restrictions	28,832	378,498	65,673	36,087	21,300	22,327	27,322	(21,306)	559,933
Net assets with donor restrictions	18	99,184	29,561	4,619	7,435	1,853	30	(40)	142,460
Total net assets	28,850	478,682	95,434	40,706	28,735	23,980	27,352	(21,346)	702,393
Total liabilities and net assets	\$ 727,806	\$ 1,720,297	\$ 157,894	\$ 88,946	\$ 55,437	\$ 96,472	\$ 33,294	\$ (683,644)	\$ 2,216,302

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

<i>(In thousands of dollars)</i>	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets										
Current assets										
Cash and cash equivalents	\$ 134,634	\$ 22,544	\$ 6,688	\$ 9,419	\$ 6,604	\$ -	\$ 179,889	\$ 20,280	\$ -	\$ 200,169
Patent accounts receivable, net	-	176,981	17,183	8,302	5,055	-	207,521	11,707	-	219,228
Prepaid expenses and other current assets	11,964	143,893	6,551	5,253	2,313	(72,361)	97,613	4,766	(4,877)	97,502
Total current assets	146,598	343,418	30,422	22,974	13,972	(72,361)	485,023	36,753	(4,877)	516,899
Assets limited as to use	8	616,929	17,438	12,821	10,829	-	656,025	48,099	-	706,124
Notes receivable, related party	554,771	-	-	-	-	(554,771)	-	-	-	-
Other investments for restricted activities	-	87,613	8,591	2,981	6,238	-	105,423	25,473	-	130,896
Property, plant, and equipment, net	36	443,154	66,759	42,438	17,356	-	569,743	37,578	-	607,321
Other assets	24,663	101,078	1,370	5,906	4,280	(10,970)	126,527	3,604	(21,346)	108,785
Total assets	\$ 726,276	\$ 1,592,192	\$ 124,580	\$ 87,120	\$ 52,675	\$ (638,102)	\$ 1,944,741	\$ 151,507	\$ (26,223)	\$ 2,070,025
Liabilities and Net Assets										
Current liabilities										
Current portion of long-term debt	\$ -	\$ 1,031	\$ 810	\$ 572	\$ 187	\$ -	\$ 2,600	\$ 864	\$ -	\$ 3,464
Current portion of liability for pension and other postretirement plan benefits	-	3,311	-	-	-	-	3,311	-	-	3,311
Accounts payable and accrued expenses	54,985	82,061	20,107	6,705	3,029	(72,361)	94,536	6,094	(4,877)	95,753
Accrued compensation and related benefits	-	106,485	5,730	2,487	3,796	-	118,498	7,078	-	125,576
Estimated third-party settlements	3,002	24,411	-	9,855	1,625	-	38,893	2,448	-	41,141
Total current liabilities	57,997	217,299	26,647	19,419	6,637	(72,361)	257,638	16,484	(4,877)	269,245
Notes payable, related party	-	527,346	-	27,425	-	(554,771)	-	-	-	-
Long-term debt, excluding current portion	644,520	52,878	25,354	1,178	11,270	(10,970)	724,231	28,744	-	752,975
Insurance deposits and related liabilities	-	54,616	485	135	240	-	55,478	40	-	55,516
Liability for pension and other postretirement plan benefits, excluding current portion	-	232,896	4,215	-	5,316	-	242,227	-	-	242,227
Other liabilities	-	85,577	1,107	1,405	-	-	88,089	38	-	88,127
Total liabilities	702,517	1,170,412	57,768	49,583	25,463	(638,102)	1,367,661	45,306	(4,877)	1,408,090
Commitments and contingencies										
Net assets										
Net assets without donor restrictions	23,759	334,882	61,828	32,897	19,812	-	473,178	72,230	(21,306)	524,102
Net assets with donor restrictions	-	86,896	4,964	4,840	7,400	-	103,802	33,971	(40)	137,833
Total net assets	23,759	421,780	66,792	37,537	27,212	-	577,080	106,201	(21,346)	661,935
Total liabilities and net assets	\$ 726,276	\$ 1,592,192	\$ 124,580	\$ 87,120	\$ 52,675	\$ (638,102)	\$ 1,944,741	\$ 151,507	\$ (26,223)	\$ 2,070,025

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

<i>(In thousands of dollars)</i>	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	\$ 134,634	\$ 23,094	\$ 8,621	\$ 9,982	\$ 6,654	\$ 12,144	\$ 5,040	\$ -	\$ 200,169
Patient accounts receivable, net	-	176,981	17,183	8,302	5,109	7,996	3,657	-	219,228
Prepaid expenses and other current assets	11,964	144,755	5,520	5,278	2,294	4,443	488	(77,238)	97,502
Total current assets	146,598	344,830	31,324	23,560	14,057	24,583	9,185	(77,238)	516,899
Assets limited as to use	8	635,028	17,438	12,821	11,862	9,612	19,355	-	706,124
Notes receivable, related party	554,771	-	-	-	-	-	-	(554,771)	-
Other investments for restricted activities	-	95,772	25,873	2,981	6,238	32	-	-	130,896
Property, plant, and equipment, net	36	445,829	70,807	42,920	19,065	25,725	3,139	-	607,321
Other assets	24,863	101,235	7,526	5,333	1,886	130	128	(32,316)	108,785
Total assets	\$ 726,276	\$ 1,622,694	\$ 152,768	\$ 87,615	\$ 53,108	\$ 60,082	\$ 31,807	\$ (664,325)	\$ 2,070,025
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	\$ -	\$ 1,031	\$ 810	\$ 572	\$ 245	\$ 739	\$ 67	\$ -	\$ 3,484
Current portion of liability for pension and other postretirement plan benefits	-	3,311	-	-	-	-	-	-	3,311
Accounts payable and accrued expenses	54,995	82,613	20,052	6,714	3,092	3,596	1,929	(77,238)	95,753
Accrued compensation and related benefits	-	106,485	5,730	2,487	3,831	5,814	1,229	-	125,576
Estimated third-party settlements	3,002	24,411	-	9,655	1,825	2,448	-	-	41,141
Total current liabilities	57,997	217,851	26,592	19,428	8,793	12,597	3,225	(77,238)	289,245
Notes payable, related party	-	527,346	-	27,425	-	-	-	(554,771)	-
Long-term debt, excluding current portion	644,520	52,878	25,354	1,179	11,593	25,792	2,829	(10,970)	752,975
Insurance deposits and related liabilities	-	54,616	465	155	241	-	39	-	55,516
Liability for pension and other postretirement plan benefits, excluding current portion	-	232,896	4,215	-	5,316	-	-	-	242,227
Other liabilities	-	85,577	1,117	1,405	-	28	-	-	88,127
Total liabilities	702,517	1,170,964	57,743	49,592	25,943	38,417	5,893	(642,979)	1,406,090
Commitments and contingencies									
Net assets									
Net assets without donor restrictions	23,759	356,518	65,069	33,383	19,784	21,031	25,884	(21,306)	524,102
Net assets with donor restrictions	-	95,212	29,956	4,640	7,401	834	30	(40)	137,833
Total net assets	23,759	451,730	95,025	38,023	27,185	21,865	25,914	(21,346)	661,935
Total liabilities and net assets	\$ 726,276	\$ 1,622,694	\$ 152,768	\$ 87,615	\$ 53,108	\$ 80,082	\$ 31,807	\$ (664,325)	\$ 2,070,025

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions
Year Ended June 30, 2019

(In thousands of dollars)	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	Alice Peck Day Memorial	New London Hospital Association	St. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Operating revenue and other support											
Patient service revenue	\$ -	\$ 1,580,552	\$ 720,256	\$ 66,784	\$ 80,166	\$ 46,029	\$ -	\$ 1,876,786	\$ 22,577	\$ -	\$ 1,906,323
Contracted revenue	5,911	108,051	369	-	-	5,902	(46,100)	74,219	790	8	75,017
Other operating revenue	21,128	186,652	3,407	1,748	4,261	2,288	(22,076)	197,806	13,366	(297)	210,686
Net assets released from restrictions	369	11,556	732	137	377	74	-	12,995	1,110	-	14,105
Total operating revenue and other support	26,506	1,888,011	724,749	71,679	84,654	54,244	(68,176)	2,261,819	37,813	(289)	2,299,143
Operating expenses											
Salaries	-	868,311	107,671	37,267	30,549	26,514	(24,682)	1,045,660	15,785	1,106	1,082,551
Employee benefits	-	208,346	24,225	6,454	5,434	6,966	(3,763)	247,662	3,642	287	251,581
Medical supplies and medications	-	354,201	34,331	6,634	6,296	3,032	-	404,496	1,378	-	407,675
Purchased services and other	11,366	242,108	35,086	15,308	13,528	13,950	(21,176)	310,170	14,867	(1,622)	323,436
Medicaid reimbursement tax	-	84,954	8,005	3,052	2,264	1,776	-	70,061	-	-	70,061
Depreciation and amortization	14	88,343	7,677	2,305	3,915	2,380	-	85,914	2,500	-	88,414
Interest	20,677	21,585	1,053	1,169	1,119	229	(20,850)	24,951	533	-	25,514
Total operating expenses	32,057	1,816,846	218,350	74,229	63,107	64,629	(70,471)	2,180,844	38,724	(229)	2,228,441
Operating (loss) margin	(5,549)	69,165	5,399	(2,550)	1,497	(582)	2,295	70,675	(913)	(60)	69,702
Nonoperating gains (losses)											
Investment income (losses), net	3,928	32,183	227	499	634	623	(186)	38,077	1,875	-	40,062
Other (losses) income, net	(3,784)	1,586	(187)	30	(240)	278	(2,087)	(4,413)	791	60	(3,562)
Loss on early extinguishment of debt	-	-	-	(87)	-	-	-	(87)	-	-	(87)
Loss on asset termination	-	-	-	-	-	-	-	-	-	-	-
Total non-operating gains (losses), net	145	33,779	40	412	594	902	(2,295)	33,577	2,766	60	36,403
(Deficiency) excess of revenue over expenses	(5,404)	102,944	6,439	(2,138)	2,091	320	-	104,252	1,853	-	106,105
Net assets without donor restrictions											
Net assets released from restrictions	-	419	565	-	402	318	-	1,704	85	-	1,789
Change in funded status of pension and other postretirement benefits	-	(85,005)	(7,720)	-	-	682	-	(72,043)	-	-	(72,043)
Net assets transferred to (from) affiliates	10,477	(16,368)	1,936	8,760	128	110	-	5,054	(5,054)	-	-
Additional paid in capital	-	-	-	-	-	-	-	-	-	-	-
Other changes in net assets	-	-	-	-	-	-	-	-	-	-	-
Change in fair value on interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
Change in funded status of interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
Increase in net assets without donor restrictions	\$ 5,073	\$ 21,998	\$ 1,223	\$ 6,622	\$ 2,621	\$ 1,430	\$ -	\$ 38,987	\$ (3,136)	\$ -	\$ 35,831

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions
Year Ended June 30, 2019

<i>(in thousands of dollars)</i>	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshires and Subsidiaries	NLH and Subsidiaries	MAHMC and Subsidiaries	APD and Subsidiaries	VNH and Subsidiaries	Eliminations	Health System Consolidated
Operating revenue and other support									
Patient service revenue	\$ -	\$ 1,580,552	\$ 220,254	\$ 60,186	\$ 46,029	\$ 89,794	\$ 22,528	\$ -	\$ 1,999,323
Contracted revenue	5,010	109,842	355	-	5,902	-	-	(48,092)	75,017
Other operating revenue	21,128	188,775	3,548	4,260	3,868	10,951	540	(22,373)	210,698
Net assets released from restrictions	371	12,837	732	177	26	162	-	-	14,105
Total operating revenue and other support	28,509	1,891,806	224,890	64,803	55,825	80,907	23,068	(68,465)	2,299,143
Operating expenses									
Salaries	-	886,311	107,706	30,549	27,319	40,731	11,511	(23,578)	1,062,551
Employee benefits	-	206,348	24,235	5,434	7,133	7,218	2,701	(3,478)	251,581
Medical supplies and medications	-	354,201	34,331	6,298	3,035	8,639	1,371	-	407,875
Purchased services and other	11,366	246,101	35,398	13,390	14,371	18,172	7,437	(22,788)	323,435
Medicaid enhancement tax	-	54,854	8,005	2,264	1,778	3,062	-	-	70,081
Depreciation and amortization	14	69,343	8,125	3,820	2,478	4,194	340	-	88,414
Interest	20,678	21,585	1,054	1,118	228	1,637	63	(20,850)	25,514
Total operating expenses	32,058	1,822,841	218,852	62,874	56,340	83,853	23,423	(70,700)	2,229,441
Operating (loss) margin	(5,549)	68,965	6,038	1,629	(515)	(2,746)	(355)	2,235	69,702
Non-operating gains (losses)									
Investment income (losses), net	3,829	33,310	129	785	845	489	943	(198)	40,052
Other (losses) income, net	(3,784)	1,566	(171)	(240)	268	31	785	(2,037)	(3,582)
Loss on early extinguishment of debt	-	-	-	-	-	(87)	-	-	(87)
Loss on swap termination	-	-	-	-	-	-	-	-	-
Total nonoperating gains (losses), net	145	34,886	(42)	545	833	413	1,748	(2,235)	36,403
(Deficiency) excess of revenue over expenses	(5,404)	103,851	5,996	2,174	418	(2,333)	1,383	-	106,105
Net assets without donor restrictions									
Net assets released from restrictions	-	484	565	402	318	-	-	-	1,769
Change in funded status of pension and other postretirement benefits	-	(65,005)	(7,720)	-	682	-	-	-	(72,043)
Net assets transferred to (from) affiliates	10,477	(18,380)	1,983	128	118	3,829	45	-	-
Additional paid in capital	-	-	-	-	-	-	-	-	-
Other changes in net assets	-	-	-	-	-	-	-	-	-
Change in fair value on interest rate swaps	-	-	-	-	-	-	-	-	-
Change in funded status of interest rate swaps	-	-	-	-	-	-	-	-	-
Increase in net assets without donor restrictions	\$ 5,073	\$ 22,880	\$ 804	\$ 2,704	\$ 1,536	\$ 1,296	\$ 1,438	\$ -	\$ 35,831

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets Without Donor Restrictions
Year Ended June 30, 2018

<i>(in thousands of dollars)</i>	Dartmouth-Hitchcock Health	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	ML Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Operating revenue and other support										
Patient service revenue	\$ -	\$ 1,475,314	\$ 216,736	\$ 80,488	\$ 52,014	\$ -	\$ 1,804,550	\$ 94,545	\$ -	\$ 1,899,005
Provision for bad debts	-	31,358	10,967	1,554	1,440	-	45,319	2,048	-	47,367
Net patient service revenue	-	1,443,956	205,769	58,932	50,574	-	1,759,231	92,497	-	1,851,728
Contracted revenue	(2,305)	97,291	-	-	2,169	(42,870)	54,285	716	(32)	54,069
Other operating revenue	9,799	134,461	3,365	4,169	1,814	(10,554)	143,054	6,978	(1,060)	148,946
Net assets released from restrictions	658	11,605	620	52	44	-	12,979	482	-	13,461
Total operating revenue and other support	8,152	1,687,313	209,754	63,153	54,601	(53,424)	1,969,549	100,673	(1,118)	2,069,104
Operating expenses										
Salaries	-	806,344	105,607	30,360	24,854	(21,542)	945,623	42,035	1,605	989,263
Employee benefits	-	181,833	28,343	7,252	7,000	(5,385)	210,043	10,221	419	229,663
Medical supplies and medications	-	289,327	31,293	6,181	3,055	-	329,836	10,195	-	340,031
Purchased services and other	8,509	215,073	33,065	13,687	13,060	(19,394)	264,800	29,390	(2,818)	291,372
Medicaid enhancement tax	-	53,044	8,070	2,659	1,744	-	65,517	2,175	-	67,692
Depreciation and amortization	23	66,073	10,217	3,934	2,030	-	82,277	2,501	-	84,778
Interest	8,684	15,772	1,004	981	224	(8,862)	17,783	1,039	-	18,822
Total operating expenses	17,216	1,627,486	217,599	64,934	52,867	(55,203)	1,924,879	97,556	(794)	2,021,641
Operating margin (loss)	(9,064)	69,847	(7,845)	(1,781)	1,734	1,779	44,670	3,117	(324)	47,463
Non-operating gains (losses)										
Investment income (losses), net	(26)	33,628	1,408	1,151	858	(198)	38,821	3,566	-	40,387
Other (losses) income, net	(1,364)	(2,599)	-	1,278	266	(1,551)	(4,002)	733	361	(2,908)
Loss on early extinguishment of debt	-	(13,808)	-	(305)	-	-	(14,214)	-	-	(14,214)
Loss on swap termination	-	(14,247)	-	-	-	-	(14,247)	-	-	(14,247)
Total non-operating gains (losses), net	(1,390)	2,872	1,408	2,122	1,124	(1,779)	4,358	4,299	361	9,018
(Deficiency) excess of revenue over expenses	(10,454)	62,720	(6,437)	341	2,858	-	49,028	7,416	37	56,461
Net assets without donor restrictions										
Net assets released from restrictions	-	10,038	-	4	252	-	16,294	19	-	16,313
Change in funded status of pension and other postretirement benefits	-	4,300	2,827	-	1,127	-	8,254	-	-	8,254
Net assets transferred to (from) affiliates	17,791	(25,355)	7,188	48	328	-	-	-	-	-
Additional paid in capital	-	-	-	-	-	-	-	58	(58)	-
Other changes in net assets	-	-	-	-	-	-	-	(185)	-	(185)
Change in fair value on interest rate swaps	-	4,190	-	-	-	-	4,190	-	-	4,190
Change in funded status of interest rate swaps	-	14,102	-	-	-	-	14,102	-	-	14,102
Increase in net assets without donor restrictions	\$ 7,337	\$ 75,995	\$ 3,576	\$ 393	\$ 4,565	\$ -	\$ 91,868	\$ 7,308	\$ (21)	\$ 99,155

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets Without Donor Restrictions
Year Ended June 30, 2018

<i>(in thousands of dollars)</i>	D-HH and Other Subsidiaries	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Operating revenue and other support									
Patient service revenue	\$ -	\$ 1,475,314	\$ 218,736	\$ 80,486	\$ 52,014	\$ 71,458	\$ 23,087	\$ -	\$ 1,899,095
Provision for bad debts	-	31,358	10,067	1,554	1,440	1,080	368	-	47,367
Net patient service revenue	-	1,443,956	208,669	78,932	50,574	69,778	22,719	-	1,851,728
Contracted revenue	(2,305)	98,007	-	-	2,169	-	-	(42,902)	54,969
Other operating revenue	9,799	137,242	4,061	4,186	3,168	1,697	453	(11,840)	148,940
Net assets released from restrictions	658	11,984	620	52	44	103	-	-	13,481
Total operating revenue and other support	8,152	1,691,189	210,450	83,150	55,955	71,578	23,172	(54,542)	2,069,104
Operating expenses									
Salaries	-	806,344	105,607	30,360	25,592	29,215	12,082	(19,937)	989,263
Employee benefits	-	181,833	29,343	7,252	7,182	7,406	2,653	(4,066)	229,683
Medical supplies and medications	-	289,327	31,293	6,161	3,057	8,484	1,709	-	340,031
Purchased services and other	8,512	218,690	33,431	13,432	14,354	19,220	5,945	(22,212)	291,372
Medicaid enhancement tax	-	53,044	8,070	2,659	1,743	2,178	-	-	67,692
Depreciation and amortization	23	66,073	10,357	3,939	2,145	1,831	410	-	84,778
Interest	8,684	15,772	1,004	981	223	975	65	(8,682)	18,822
Total operating expenses	17,219	1,631,083	218,105	84,784	54,276	69,307	22,864	(55,997)	2,021,641
Operating (loss) margin	(9,067)	60,106	(7,655)	(1,634)	1,679	2,271	308	1,455	47,463
Nonoperating gains (losses)									
Investment income (losses), net	(26)	35,177	1,954	1,097	787	203	1,393	(188)	40,387
Other (losses) income, net	(1,364)	(2,599)	(3)	1,276	273	(223)	952	(1,220)	(2,908)
Loss on early extinguishment of debt	-	(13,909)	-	(305)	-	-	-	-	(14,214)
Loss on swap termination	-	(14,247)	-	-	-	-	-	-	(14,247)
Total non-operating gains (losses), net	(1,390)	4,422	1,951	2,068	1,060	(20)	2,345	(1,418)	9,018
(Deficiency) excess of revenue over expenses	(10,457)	64,528	(5,704)	434	2,739	2,251	2,653	37	56,481
Net assets without donor restrictions									
Net assets released from restrictions	-	18,058	-	4	251	-	-	-	18,313
Change in funded status of pension and other postretirement benefits	-	4,300	2,827	-	1,127	-	-	-	8,254
Net assets transferred to (from) affiliates	17,791	(25,355)	7,188	48	328	-	-	-	-
Additional paid in capital	58	-	-	-	-	-	-	(58)	-
Other changes in net assets	-	-	-	-	-	(185)	-	-	(185)
Change in fair value on interest rate swaps	-	4,190	-	-	-	-	-	-	4,190
Change in funded status of interest rate swaps	-	14,102	-	-	-	-	-	-	14,102
Increase (decrease) in net assets without donor restrictions	\$ 7,392	\$ 77,823	\$ 4,311	\$ 488	\$ 4,445	\$ 2,066	\$ 2,653	\$ (21)	\$ 99,155

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Supplemental Consolidating Information
June 30, 2019 and 2018

1. Basis of Presentation

The accompanying supplemental consolidating information includes the consolidating balance sheet and the consolidating statement of operations and changes in net assets without donor restrictions of D-HH and its subsidiaries. All intercompany accounts and transactions between D-HH and its subsidiaries have been eliminated. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

Schedule of Expenditures of Federal Awards

Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	CFDA	Award Number/pass-through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
Federal Program						
Research and Development Cluster						
Department of Defense						
National Guard Military Operations and Maintenance (O&M) Projects	12.401	WB11WH1820078	Direct		\$ 234,630	\$ -
Military Medical Research and Development	12.420	WB11WH1810712	Direct		131,525	-
Military Medical Research and Development	12.420	R1143	Pass-Through	Trustees of Dartmouth College	2,053	-
					133,580	-
Department of Defense	12.RD	80232	Pass-Through	Creare, Inc.	46,275	-
					414,485	-
Environmental Protection Agency						
Science To Achieve Results (STAR) Research Program	66.508	31220SU852985	Pass-Through	University of Vermont	1,031	-
					1,031	-
Department of Health and Human Services						
Innovations in Applied Public Health Research	93.061	1 R01 T8000288	Direct		84,957	8,367
Environmental Health	93.113	6K23E8025781-06	Direct		111,125	-
Environmental Health	93.113	R1118	Pass-Through	Trustees of Dartmouth College	5,087	-
					116,212	-
NIH/NH Superfund Hazardous Substances						
Health Program for Toxic Substances and Disease Registry	93.143	R1088	Pass-Through	Trustees of Dartmouth College	6,457	-
Research Related to Deafness and Communication Disorders	93.181	AW000010523	Direct		81,180	-
National Research Service Award in Primary Care Medicine	93.173	8R21DC015133-03	Direct		119,866	81,908
	93.186	T32HP32520	Direct		308,112	-
Research and Training in Complementary and Integrative Health	93.213	R1112	Pass-Through	Trustees of Dartmouth College	21,197	-
Research and Training in Complementary and Integrative Health	93.213	R1187	Pass-Through	Trustees of Dartmouth College	448	-
Research and Training in Complementary and Integrative Health	93.213	12272	Pass-Through	Palmer College of Chiropractic	30,748	-
Research and Training in Complementary and Integrative Health	93.213	Not Provided	Pass-Through	Southern California University of Health	12,030	-
					64,421	-
Research on Healthcare Costs, Quality and Outcomes	93.226	5P30H8024403	Direct		841,114	-
Research on Healthcare Costs, Quality and Outcomes	93.226	R1128	Pass-Through	Trustees of Dartmouth College	6,003	-
Research on Healthcare Costs, Quality and Outcomes	93.226	R1146	Pass-Through	Trustees of Dartmouth College	4,896	-
					851,813	-
Mental Health Research Grants						
Mental Health Research Grants	93.242	1K08MH117347-01A1	Direct		54,211	-
Mental Health Research Grants	93.242	6K23MH116367-02	Direct		108,228	-
Mental Health Research Grants	93.242	6R01MH110095	Direct		220,078	84,823
Mental Health Research Grants	93.242	6T32MH073653-15	Direct		130,340	-
Mental Health Research Grants	93.242	6R25MH086502-17	Direct		157,569	-
Mental Health Research Grants	93.242	6R01MH107625-05	Direct		200,805	27,864
Mental Health Research Grants	93.242	R1082	Pass-Through	Trustees of Dartmouth College	11,740	-
Mental Health Research Grants	93.242	R1144	Pass-Through	Trustees of Dartmouth College	5,897	-
Mental Health Research Grants	93.242	R1156	Pass-Through	Trustees of Dartmouth College	4,721	-
					894,617	112,787

**Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

CFDA	Award Number/pass-through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
Drug Abuse and Addiction Research Programs	93.279	6R01DA034899-05	Direct	390,647	90,985
Drug Abuse and Addiction Research Programs	93.279	6R21DA044501-03	Direct	118,741	-
Drug Abuse and Addiction Research Programs	93.279	6R01DA041418-04	Direct	136,687	62,277
Drug Abuse and Addiction Research Programs	93.279	R1105	Pass-Through	Trustees of Dartmouth College	11,957
Drug Abuse and Addiction Research Programs	93.279	R1104	Pass-Through	Trustees of Dartmouth College	4,100
Drug Abuse and Addiction Research Programs	93.279	R1192	Pass-Through	Trustees of Dartmouth College	5,029
				<u>695,202</u>	<u>153,262</u>
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	6X23EB020507-02	Direct	98,499	9,562
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	6R21EB021456-03	Direct	23,283	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	R1103	Pass-Through	Trustees of Dartmouth College	18,635
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	5R21EB024771-02	Pass-Through	Trustees of Dartmouth College	5,938
				<u>146,395</u>	<u>9,562</u>
National Center for Advancing Translational Sciences	93.350	R1113	Pass-Through	Trustees of Dartmouth College	342,780
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	1204501	Pass-Through	Dana-Farber Cancer Institute	106,421
Cancer Cause and Prevention Research	93.393	1R01CA225792	Direct	54,301	-
Cancer Cause and Prevention Research	93.393	R21CA227775A	Direct	28,849	-
Cancer Cause and Prevention Research	93.393	R01CA228197	Direct	65,701	-
Cancer Cause and Prevention Research	93.393	R1127	Pass-Through	Trustees of Dartmouth College	6,035
Cancer Cause and Prevention Research	93.393	R1087	Pass-Through	Trustees of Dartmouth College	5,870
Cancer Cause and Prevention Research	93.393	R1109	Pass-Through	Trustees of Dartmouth College	1,984
Cancer Cause and Prevention Research	93.393	DH4CA222648	Pass-Through	The Pennsylvania State University	3,173
Cancer Cause and Prevention Research	93.393	R44CA210810	Pass-Through	Cairn Surgical, LLC	20,241
				<u>203,995</u>	-
Cancer Detection and Diagnosis Research	93.394	4R00CA190890-03	Direct	1,317	-
Cancer Detection and Diagnosis Research	93.394	6R37CA212167-03	Direct	108,110	2,807
Cancer Detection and Diagnosis Research	93.394	6R03CA219445-03	Direct	18,080	-
Cancer Detection and Diagnosis Research	93.394	R1079	Pass-Through	Trustees of Dartmouth College	23,031
Cancer Detection and Diagnosis Research	93.394	R1080	Pass-Through	Trustees of Dartmouth College	23,031
Cancer Detection and Diagnosis Research	93.394	R1098	Pass-Through	Trustees of Dartmouth College	8,772
Cancer Detection and Diagnosis Research	93.394	R1096	Pass-Through	Trustees of Dartmouth College	1,174
Cancer Detection and Diagnosis Research	93.394	R1124	Pass-Through	Trustees of Dartmouth College	83,174
				<u>263,699</u>	<u>2,907</u>
Cancer Treatment Research	93.395	1UG1CA233323-01	Direct	14,978	-
Cancer Treatment Research	93.395	6U10CA180854-06	Direct	27,790	-
Cancer Treatment Research	93.395	DAC-194321	Pass-Through	Mayo Clinic	36,708

**Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

	CFDA	Award Number/Pass-Through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
Cancer Treatment Research	93.395	R1087	Pass-Through	Trustees of Dartmouth College	2,630	-
Cancer Treatment Research	93.395	110406	Pass-Through	Brigham and Women's Hospital	20,430	-
					<u>102,233</u>	-
Cancer Centers Support Grants	93.397	R1126	Pass-Through	Trustees of Dartmouth College	95,624	-
Cardiovascular Diseases Research	93.637	1UM1HL147371-01	Direct		11,774	-
Cardiovascular Diseases Research	93.637	7K23HL142835-02	Direct		63,544	-
					<u>77,318</u>	-
Lung Diseases Research	93.638	6R01HL122373-05	Direct		206,920	8,864
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	6T32AR048710-16	Direct		73,048	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R1098	Pass-Through	Trustees of Dartmouth College	70,736	704
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	6R01NS052274-11	Direct		50,412	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	16-210950-04	Direct		18,016	-
					<u>68,428</u>	-
Allergy and Infectious Diseases Research	93.855	R1081	Pass-Through	Trustees of Dartmouth College	3,787	-
Allergy and Infectious Diseases Research	93.855	RE8513034	Pass-Through	Case Western Reserve University	4,170	-
Allergy and Infectious Diseases Research	93.855	R1155	Pass-Through	Trustees of Dartmouth College	14,582	-
					<u>22,539</u>	-
Biomedical Research and Research Training	93.859	R1100	Pass-Through	Trustees of Dartmouth College	14,801	-
Biomedical Research and Research Training	93.859	R1141	Pass-Through	Trustees of Dartmouth College	587	-
Biomedical Research and Research Training	93.859	R1145	Pass-Through	Trustees of Dartmouth College	241	-
					<u>15,729</u>	-
Child Health and Human Development Extramural Research	93.865	5P2CH0065841-04	Direct		127,400	10,132
Child Health and Human Development Extramural Research	93.865	6U01DC024946-03	Direct		260,914	-
Child Health and Human Development Extramural Research	93.865	6R01HD087270	Direct		314,056	223,885
Child Health and Human Development Extramural Research	93.865	R1119	Pass-Through	Trustees of Dartmouth College	13,264	-
Child Health and Human Development Extramural Research	93.865	51480	Pass-Through	Univ of Arkansas for Medical Sciences	4,699	-
					<u>720,332</u>	<u>234,017</u>
Aging Research	93.866	6K23AQ051881-04	Direct		76,377	2,863
Aging Research	93.866	R1102	Pass-Through	Trustees of Dartmouth College	8,295	-
					<u>84,672</u>	<u>2,863</u>
Vision Research	93.867	6R21EY029577-02	Direct		26,751	3,149
Medical Library Assistance	93.879	R1107	Pass-Through	Trustees of Dartmouth College	4,273	-
Medical Library Assistance	93.879	R1190	Pass-Through	Trustees of Dartmouth College	1,244	-
					<u>5,517</u>	-
International Research and Research Training	93.989	R1123	Pass-Through	Trustees of Dartmouth College	5,836	-
International Research and Research Training	93.989	6R25TV007883-09	Pass-Through	Fogarty International Center	96,327	65,097
					<u>102,263</u>	<u>65,097</u>

Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	CFDA	Award Number/pass-through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
Department of Health and Human Services	93.RD		Pass-Through	Leidos Biomedical Research, Inc.	201,551	-
Total Department of Health and Human Services					<u>5,870,877</u>	<u>953,377</u>
Total Research and Development Cluster					<u>6,395,493</u>	<u>953,377</u>
Medical Cluster						
Medical Assistance Program	93.778	6N9H-2-15-19	Pass-Through	Southern New Hampshire Health	131,775	-
Medical Assistance Program	93.778	Not Provided	Pass-Through	NH Dept of Health and Human Services	1,453,798	-
Medical Assistance Program	93.778	RFP-2017-0004M-01-PHY18-01	Pass-Through	NH Dept of Health and Human Services	3,105,149	-
Medical Assistance Program	93.778	03420-72355	Pass-Through	Vermont Department of Health	99,391	-
Medical Assistance Program	93.778	03410-2020-19	Pass-Through	Vermont Department of Health	118,786	-
Total Medical Cluster					<u>4,809,897</u>	-
Highway Safety Cluster						
State and Community Highway Safety	20.600	19-286 Youth Operator	Pass-Through	NH Highway Safety Agency	66,660	-
State and Community Highway Safety	20.600	19-286 BUNH	Pass-Through	NH Highway Safety Agency	76,915	-
State and Community Highway Safety	20.600	19-286 Statewide CPB	Pass-Through	NH Highway Safety Agency	82,202	-
Total Highway Safety Cluster					<u>225,777</u>	-
Other Sponsored Programs						
Department of Justice						
Crime Victim Assistance	16.575	2015-VA-GX0007	Pass-Through	New Hampshire Department of Justice	237,862	-
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	1-CLAR-NH-SA17	Pass-Through	National Children's Alliance	1,448	-
					<u>239,140</u>	-
Department of Education						
Raise to the Top	84.412	03440-34119-18-ELCQ24	Pass-Through	Vermont Dept for Children and Families	115,094	-
					<u>115,094</u>	-
Department of Health and Human Services						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	Not Provided	Pass-Through	NH Dept of Health and Human Services	89,945	-
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	GENFD0001568485	Pass-Through	Boston Children's Hospital	16,783	-
Maternal and Child Health Federal Consolidated Programs	93.110	6 T73MC3239301D1	Direct		652,997	991,411
Maternal and Child Health Federal Consolidated Programs	93.110	0253-8545-4009	Pass-Through	Icahn School of Medicine at Mount Sinai	19,548	-
					<u>872,545</u>	<u>991,411</u>
Emergency Medical Services for Children	93.127	7 H33MC323950100	Direct		137,067	-
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	R1140	Pass-Through	Trustees of Dartmouth College	449,757	-
HPA-Related Training and Technical Assistance	93.145	Not Provided	Pass-Through	University of Massachusetts Med School	3,242	-
Coordinated Services and Access to Research for Women, Infants, Children	93.153	H12HA31112	Direct		391,823	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	7H768M053584-01	Direct		24,313	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	RFP-2018-DPHS-01-REGION-1	Pass-Through	NH Dept of Health and Human Services	55,381	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Not Provided	Pass-Through	Vermont Department of Health	227,437	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	03420-A180055	Pass-Through	Vermont Department of Health	125,784	-
					<u>433,875</u>	-
Drug Free Communities Support Program Grants	93.276	SH798P020382	Direct		126,464	-
Department of Health and Human Services	93.626	RFP-2018-DPHS-01-REGION-1	Pass-Through	NH Dept of Health and Human Services	29,638	-

Dartmouth-Hitchcock Health and Subsidiaries
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	CFDA	Award Number/pass-through Identification Number	Funding Source	Pass-Through Entity	Total Expenditures	Amount Passed Through to Subrecipients
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	18-029	Pass-Through	University of New Hampshire	2,811	-
Adoption Opportunities	93.652	AWD00009303	Direct		32,384	-
Adoption Opportunities	93.652	RFP-2018-DPHS-01-REGION-1	Pass-Through	NH Dept of Health and Human Services	110,524	-
					<u>142,909</u>	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	RFP-2018-DPHS-01-REGION-1	Pass-Through	NH Dept of Health and Human Services	343,297	-
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.761	90PP600019	Direct		134,524	-
Opialdi STR	93.788	RFP-2018-BDAB-05-INTEG	Pass-Through	NH Dept of Health and Human Services	954,356	61,208
Opialdi STR	93.788	2018-BDAB-05-ACCES-04	Pass-Through	NH Dept of Health and Human Services	161,164	-
Opialdi STR	93.788	18-2018-BDAB-05-ACCES-02	Pass-Through	NH Dept of Health and Human Services	243,747	-
					<u>1,359,267</u>	<u>61,208</u>
Organized Approaches to Increase Colorectal Cancer Screening Hospital Preparedness Program (HPP) Ebola Preparedness	93.800	5 HUS8DP000086	Direct		912,937	-
Hospital Preparedness Program (HPP) Ebola Preparedness	93.817	03420-87558	Pass-Through	Vermont Department of Health	2,347	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	03420-89318	Pass-Through	Vermont Department of Health	99,841	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	03420-07623	Pass-Through	Vermont Department of Health	178,907	-
					<u>278,748</u>	-
National Bioterrorism Hospital Preparedness Program Rural Health Care Services Outreach, Rural Health Network Develop and Small Health Care Provider Quality Improvement Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.989	03420-72728	Pass-Through	Vermont Department of Health	2,786	-
	93.912	6 D06RH31007-02-03	Direct		136,959	-
Block Grants for Community Mental Health Services	93.958	1 H78HA31864-01-00	Direct		273,666	-
Block Grants for Community Mental Health Services	93.958	9224120	Pass-Through	NH Dept of Health and Human Services	2,498	-
Block Grants for Community Mental Health Services	93.958	RFP-2017-DBH-05-FIRSTE	Pass-Through	NH Dept of Health and Human Services	32,625	-
					<u>35,123</u>	-
Block Grants for Prevention and Treatment of Substance Abuse	93.958	05-95-48-49151D-2990	Pass-Through	NH Dept of Health and Human Services	89,278	-
Block Grants for Prevention and Treatment of Substance Abuse	93.958	Not Provided	Pass-Through	Foundation for Healthy Communities	54,356	-
Block Grants for Prevention and Treatment of Substance Abuse	93.958	05-95-48-49151D-2990	Pass-Through	Foundation for Healthy Communities	1,685	-
Block Grants for Prevention and Treatment of Substance Abuse	93.958	03420-A180338	Pass-Through	Vermont Department of Health	59,204	-
					<u>184,531</u>	-
PPHF Geriatric Education Centers	93.989	U10HP32519	Direct		728,026	-
Department of Health and Human Services	93.101	RFP-2018-DPHS-05-INTJUR	Pass-Through	NH Highway Safety Agency	80,107	-
Department of Health and Human Services	93.102	Not Provided	Pass-Through	NH Dept of Health and Human Services	48,489	-
Department of Health and Human Services	93.103	Not Provided	Pass-Through	NH Dept of Health and Human Services	58,419	-
Department of Health and Human Services	93.104	Not Provided	Pass-Through	NH Dept of Health and Human Services	37,009	-
Department of Health and Human Services	93.105	Not Provided	Pass-Through	NH Dept of Health and Human Services	39,653	-
Department of Health and Human Services	93.106	Not Provided	Pass-Through	County of Cheshire	213,301	-
					<u>474,976</u>	-
Corporation for National and Community Service AmeriCorps	94.006	17ACHH0010001	Pass-Through	Volunteer NH	72,297	-
					<u>72,297</u>	-
Total Other Programs					<u>7,774,313</u>	<u>622,619</u>
Total Federal Awards and Expenditures					<u>\$ 19,256,480</u>	<u>\$ 1,315,846</u>

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the activity of federal award programs administered by Dartmouth-Hitchcock Health and Subsidiaries (the "Health System") as defined in the notes to the consolidated financial statements and is presented on an accrual basis. The purpose of this Schedule is to present a summary of those activities of the Health System for the year ended June 30, 2019 which have been financed by the United States government ("federal awards"). For purposes of this Schedule, federal awards include all federal assistance entered into directly between the Health System and the federal government and subawards from nonfederal organizations made under federally sponsored agreements. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Pass-through entity identification numbers and CFDA numbers have been provided where available.

Visiting Nurse and Hospice of NH and VT ("VNH") received a Community Facilities Loan, CFDA #10.766, of which the proceeds were expended in the prior fiscal year. The VNH had an outstanding balance of \$2,696,512 as of June 30, 2019. As this loan was related to a project that was completed in the prior audit period and the terms and conditions do not impose continued compliance requirements other than to repay the loan, we have properly excluded the outstanding loan balance from the Schedule.

2. Indirect Expenses

Indirect costs are charged to certain federal grants and contracts at a federally approved predetermined indirect rate, negotiated with the Division of Cost Allocation and therefore we do not use the de minimus 10% rate. The predetermined rate provided for the year ended June 30, 2019 was 29.3%. Indirect costs are included in the reported federal expenditures.

3. Related Party Transactions

The Health System has an affiliation agreement with Dartmouth College dated June 4, 1996 in which the Health System and the Geisel School of Medicine at Dartmouth College affirm their mutual commitment to providing high quality medical care, medical education and medical research at both organizations. Pursuant to this affiliation agreement, certain clinical faculty of the Health System participate in federal research programs administered by Dartmouth College. During the fiscal year ended June 30, 2019, Health System expenditures, which Dartmouth College reimbursed, totaled \$3,979,033. Based on the nature of these transactions, the Health System and Dartmouth College do not view these arrangements to be subrecipient transactions but rather view them as Dartmouth College activity. Accordingly, this activity does not appear in the Health System's schedule of expenditures of federal awards for the year ended June 30, 2019.

Part II
Reports on Internal Control and Compliance



**Report of Independent Auditors on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Dartmouth-Hitchcock Health and its subsidiaries (the "Health System"), which comprise the consolidated balance sheet as of June 30, 2019, and the related consolidated statements of operations and changes in net assets and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 26, 2019, which included an emphasis of a matter paragraph related to the Health System changing the manner in which it accounts for revenue recognition from contracts with customers and the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for-profit entity in 2019 as discussed in note 2 of the consolidated financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Health System's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control. Accordingly, we do not express an opinion on the effectiveness of the Health System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Health System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Priscilla House Cooper LLP

Boston, Massachusetts
November 26, 2019



**Report of Independent Auditors on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on Internal
Control Over Compliance in Accordance with the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

We have audited Dartmouth-Hitchcock Health and its subsidiaries' (the "Health System") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Health System's major federal programs for the year ended June 30, 2019. The Health System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Health System's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Dartmouth-Hitchcock Health and its subsidiaries compliance.



Opinion on Each Major Federal Program

In our opinion, Dartmouth-Hitchcock Health and its subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Health System are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Health System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Health System's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Priscilla Cooper LLP

Boston, Massachusetts
March 31, 2020

Part III
Findings and Questioned Costs

Dartmouth-Hitchcock and Subsidiaries
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified opinion

Internal control over financial reporting

Material weakness (es) identified? No

Significant deficiency (ies) identified that are not considered to be material weakness (es)? None reported

Noncompliance material to financial statements No

Federal Awards

Internal control over major programs

Material weakness (es) identified? No

Significant deficiency (ies) identified that are not considered to be material weakness (es)? None reported

Type of auditor's report issued on compliance for major programs Unmodified opinion

Audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs

CFDA Number

Name of Federal Program or Cluster

Various CFDA Numbers

Research and Development

93.800

Organized Approaches to Increase Colorectal Cancer Screening
 Opioid STR

93.788

Maternal and Child Health Federal Consolidated Programs

93.110

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

Yes

Dartmouth-Hitchcock and Subsidiaries
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

II. Financial Statement Findings

None Noted

III. Federal Award Findings and Questioned Costs

None Noted

Dartmouth-Hitchcock and Subsidiaries
Summary Schedule of Prior Audit Findings and Status
Year Ended June 30, 2019

There are no findings from prior years that require an update in this report.

**DARTMOUTH-HITCHCOCK (D-H) | DARTMOUTH-HITCHCOCK HEALTH (D-HH)
BOARDS OF TRUSTEES AND OFFICERS**

Effective: January 1, 2020

<p>Mark W. Begor, MBA MHMH/DHC Trustee <i>Chief Executive Officer, Equifax</i></p>	<p>Jennifer L. Moyer, MBA MHMH/DHC Trustee <i>Managing Director & CAO, White Mountains Insurance Group, Ltd</i></p>
<p>Jocelyn D. Chertoff, MD, MS, FACR MHMH/DHC (Clinical Chair/Center Director) Trustee <i>Chair, Dept. of Radiology</i></p>	<p>Robert A. Oden, Jr., PhD MHMH/DHC/D-HH Trustee <i>Retired President, Carleton College</i></p>
<p>Duane A. Compton, PhD MHMH/DHC/D-HH Trustee <i>Ex-Officio: Dean, Geisel School of Medicine at Dartmouth</i></p>	<p>David P. Paul, MBA MHMH/DHC Trustee <i>President & COO, JBG SMITH</i></p>
<p>William J. Conaty MHMH/DHC/D-HH Trustee <i>President, Conaty Consulting, LLC</i></p>	<p>Charles G. Plimpton, MBA MHMH/DHC/D-HH Boards' Treasurer & Secretary <i>Retired Investment Banker</i></p>
<p>Joanne M. Conroy, MD MHMH/DHC/D-HH Trustee <i>Ex-Officio: CEO & President, D-H/D-HH</i></p>	<p>Richard J. Powell, MD (Roshini Pinto-Powell, MD) D-HH Trustee <i>Section Chief, Vascular Surgery; Professor of Surgery and Radiology</i></p>
<p>Paul P. Danos, PhD MHMH/DHC/D-HH Trustee <i>Dean Emeritus; Laurence F. Whittemore Professor of Business Administration, Tuck School of Business at Dartmouth</i></p>	<p>Thomas Raffio, MBA, FLMI MHMH/DHC Trustee <i>President & CEO, Northeast Delta Dental</i></p>
<p>Elof Eriksson, MD, PhD MHMH/DHC Trustee <i>Professor Emeritus, Harvard Medical School and Chief Medical Officer, Applied Tissues Technologies, LLC</i></p>	<p>Kurt K. Rhyhart, MD, FACS MHMH/DHC (D-H Lebanon Physician Trustee Representative) Trustee <i>DHMC Trauma Medical Director and Divisional Chief of Trauma and Acute Care Surgery</i></p>
<p>Senator Judd A. Gregg MHMH/DHC Trustee <i>Senior Advisor to SIFMA</i></p>	<p>Edward Howe Stansfield, III, MA MHMH/DHC/D-HH Boards' Chair <i>Senior VP, Resident Director for the Hanover, NH Bank of America/Merrill Lynch Office</i></p>
<p>Roberta L. Hines, MD MHMH/DHC Trustee <i>Nicholas M. Greene Professor and Chair, Dept. of Anesthesiology, Yale School of Medicine</i></p>	<p>Pamela Austin Thompson, MS, RN, CENP, FAAN MHMH/DHC/D-HH Trustee <i>Chief executive officer emeritus of the American Organization of Nurse Executives (AONE)</i></p>
<p>Cherie A. Holmes, MD, MSc MHMH/DHC/(Community Group Practice) Trustee <i>Medical Director, Acute Care Services, D-H Keene/Cheshire Medical Center</i></p>	<p>Jon W. Wahrenberger, MD, FAHA, FACC MHMH/DHC (Lebanon Physician) Trustee <i>Clinical Cardiologist, Cardiovascular Medicine</i></p>
<p>Jonathan T. Huntington, MD, PhD, MPH MHMH/DHC (Lebanon Physician) Trustee <i>Acting Chief Medical Officer, DHMC</i></p>	<p>Marc B. Wolpov, JD, MBA MHMH/DHC/D-HH Trustee <i>Co-Chief Executive Officer of Audax Group</i></p>
<p>Laura K. Landy, MBA MHMH/DHC/D-HH Trustee <i>President and CEO of the Fannie E. Rippel Foundation</i></p>	

Subject: **NH CARE Program RFA-2019-DPHS-04-NHCAR-14**

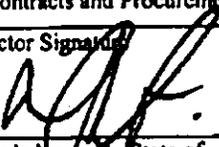
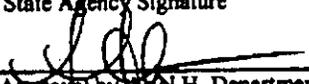
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Merrimack River Medical Services		1.4 Contractor Address 323 Derry Road Hudson, NH 03051	
1.5 Contractor Phone Number (603) 595-3399	1.6 Account Number 05-95-90-902510-22290000-530-500371	1.7 Completion Date March 31, 2021	1.8 Price Limitation \$22,500
1.9 Contracting Officer for State Agency Nathan D. White Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Daniel Gutschenritter, VP and Treasurer	
1.13 Acknowledgment: State of TX, County of Denton On _____, 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			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Ann Landey, Associate Contract Manager	
Date: 7/18/2021			
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) (if applicable) By: Catherine Pinos On: _____			
1.18 Approval by the Governor and Executive Council (if applicable) 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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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.

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 notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form 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 thirty (30) 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 provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

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.



Scope of Services

1. Provisions Applicable to All Services

- 1.1. For the purposes of this contract, the Contractor shall be identified as a subrecipient in accordance with 2 CFR 200.0. et seq.
- 1.2. The Contractor shall submit a detailed description of the language assistance services they shall provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.3. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennia.
- 1.5. The Contractor is an extension of the direct NH CARE Program; therefore, shall adhere to all applicable legislative and programmatic requirements when providing services, including but not limited to:
 - 1.5.1. Ryan White Comprehensive AIDS Resources Emergency (CARE) Act legislation, administered by the U.S. Department of Health and Human Services (HHS), Health Resources and Services Administration (HRSA), HIV/AIDS Bureau (HAB).
 - 1.5.2. HRSA National Monitoring Standards, as instructed by the Division of Public Health (DPHS), which are available online at:
 - 1.5.2.1. Fiscal Standards
(<https://hab.hrsa.gov/sites/default/files/hab/Global/fiscalmonitoringpartb.pdf>)
 - 1.5.2.2. Program Standards
(<https://hab.hrsa.gov/sites/default/files/hab/Global/programmonitoringpartb.pdf>)
 - 1.5.2.3. Universal Standards
(<http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartb.pdf>)



- 1.6. The Contractor shall ensure services are provided by a New Hampshire licensed medical professionals and certified professionals who are free from any mental or physical impairment or condition that would preclude their abilities to competently perform the essential functions or duties in this agreement.

2. Scope of Work

- 2.1. The Contractor shall provide outpatient mental health and/or substance use disorder counseling and treatment to individuals enrolled in the NH CARE Program and refer clients to re-enroll in the NH CARE Program, as appropriate.
- 2.2. The Contractor shall adhere to the NH CARE Program Schedule of Fees policy. The NH CARE Program has a schedule of charges policy that discounts all fees and charges to \$0 dollars for all clients. The subrecipient shall not charge the client additional cost.
- 2.3. The Contractor shall participate in an annual site visit with NH Division of Public Health Services (DPHS) staff in accordance with Exhibit A-1, NH CARE Program Annual Site Visit Process, Contract provider page (<https://www.dhhs.nh.gov/dphs/bchs/std/provider-info.htm>).
- 2.4. The Contractor shall participate in periodic Technical Assistance (TA) monitoring calls with the Department.
- 2.5. The Contractor shall collect, process, transmit and store client level data in a secure, electronic format as specified by the program or if reasonable via CAREWare for the completion of annual reports.
- 2.6. The Contractor shall notify the NH CARE Program in writing of any newly hired administrator, clinical coordinator or any staff person essential to carrying out the contracted services and include a copy of the individuals resume, within thirty (30) days of hire.
- 2.7. The Contractor shall be eligible to apply once a year throughout the contract term for a micro-grant of up to \$5,000 to assist with the implementation of a quality improvement project focused on improving health outcomes, patient care, and/or patient satisfaction in accordance with the NH CARE Program micro-grant requirements upon the contract effective date.



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 shall reimburse the Contractor for Mental Health & Substance Use Disorder Counseling/Treatment Services provided by the contractor to enroll NH CARE Program clients.
2. The Contractor shall maximize billing to private and commercial insurances, Medicare and Medicaid, for all reimbursable services rendered. ***The Department is the payor of last resort and services will be reimbursed at NH Medicaid rates.***
3. 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.
4. The funding source for this agreement for Mental Health & Substance Use Disorder Counseling/Treatment Services are 100% Other Funds from the Pharmaceutical Rebates in the amounts identified below:
 - 4.1. Funds for **Mental Health & Substance Use Disorder Counseling and Treatment Services** across all vendors, statewide, are anticipated to be \$82,500 and be available in the following amounts:
 - 4.1.1. \$30,000 for State Fiscal year 2019.
 - 4.1.2. \$30,000 for State Fiscal Year 2020.
 - 4.1.3. \$22,500 for State Fiscal Year 2021.
5. Payments shall be made as follows:
 - 5.1. The Contractor shall invoice NH CARE Program for services using a health insurance claim form or reasonable facsimile. Additional invoicing methods may be approved by the Department.
 - 5.2. The Contractor shall submit completed invoices 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
 - 5.3. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

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Exhibit B

- 5.4. The Contractor shall submit the final invoice no later than forty (40) days after the completion date indicated in Form P-37, General Provisions, Block 1.7, Completion Date.
6. 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.

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6-3-2020



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;

Exhibit C -- Special Provisions

Contractor Initials AB

Date 6-3-2010

New Hampshire Department of Health and Human Services
Exhibit C



- 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



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

Exhibit C - Special Provisions

Contractor Initials

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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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6-3-2020

New Hampshire Department of Health and Human Services
Exhibit C



- 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]
Date *10-3-2020*



REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, 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.

1.2. Section 10, 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.

2. Renewal

2.1. The Department reserves the right to extend this agreement for up to three (3) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

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10-3-2020



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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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:
Merrimack River Medical Services, Inc.

Name: Daniel Gilschenritter
Title: VP, Treasurer

6-3-2020
Date

Contractor Initials DG
Date 6-3-2020



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):

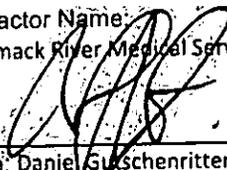
- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title 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:
Merrimack River Medical Services, Inc.


Name: Daniel Gutschenritter
Title: VP, Treasurer

10-3-2020
Date



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

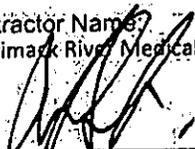
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name:
Merrimack River Medical Services, Inc.

6-3-2020
Date


Name: Daniel Gutschenritter
Title: VR Treasurer



**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

DB

Date

6-3-2020

New Hampshire Department of Health and Human Services
Exhibit G



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

The 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:
Merrimack River Medical Services, Inc.

6-3-2020
Date

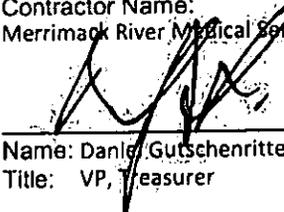

Name: Daniel Gutschenritter
Title: VP, Treasurer

Exhibit G

Contractor Initials DG

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



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

The 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:
Merrimack River Medical Services, Inc.

Name: Daniel Gutschenritter
Title: VP, Treasurer

6-3-2020
Date

DG
6-3-2020



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Reserved

NS

6-3-2020



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

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

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

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

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

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

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

Contractor Name:
Merrimack River Medical Services, Inc.

Name: Daniel Gutschenritter
Title: VP, Treasurer

6-3-2020

Date

Contractor Initials

DG

Date 6-3-2020



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: 064480754
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: <u>DAVID WHITE</u>	Amount: _____
Name: <u>DANIEL GUTSCHENKTER</u>	Amount: _____
Name: <u>FRANK BAUMANN</u>	Amount: _____
Name: <u>PATRICE TREVAN</u>	Amount: _____
Name: _____	Amount: _____

State of New Hampshire

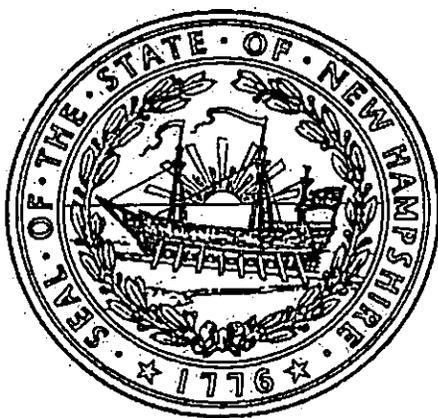
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MERRIMACK RIVER MEDICAL SERVICES, INC. is a New Hampshire Profit Corporation registered to transact business in New Hampshire on May 07, 1999. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 315292

Certificate Number: 0004779912



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 January A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Frank Baumann, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Merrimack River Medical Services, Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on _____, 20____, at which a quorum of the Directors/shareholders were present and voting.
SEE ATTACHED (Date)

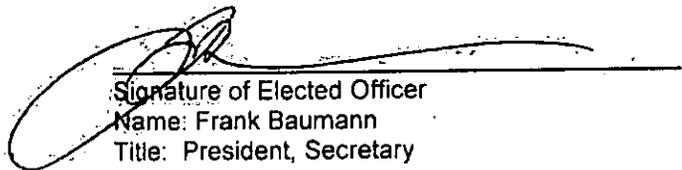
VOTED: That Daniel Gutschenritter, VP and Treasurer (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Merrimack River Medical Services, Inc. to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

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

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

Dated: 10-3-2020


Signature of Elected Officer
Name: Frank Baumann
Title: President, Secretary

MERRIMACK RIVER MEDICAL SERVICES, INC.

**WRITTEN CONSENT OF SOLE SHAREHOLDER
AND SOLE DIRECTOR
IN LIEU OF ANNUAL MEETINGS**

February 23, 2020

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Pursuant to the provisions of the New Hampshire Business Corporation Act, the undersigned, being the sole shareholder and the sole member of the Board of Directors of Merrimack River Medical Services, Inc., a New Hampshire corporation (the "Company"), does hereby waive notice of a meeting and consent to the taking of the following action by the sole shareholder and the Board of Directors of the Company upon the written consent of the sole shareholder and the sole director thereof, such written consent to be (i) evidence of the actions agreed upon by the sole shareholder and the sole member of the Board of Directors of the Company to have been taken as of the date first written above, and (ii) filed by the Secretary of the Company with the minutes of the meetings of the shareholders and the Board of Directors of the Company, to-wit:

Election of Director and Officers

RESOLVED, that David K. White is hereby elected as the sole director of the Company, to serve until his successor is elected and qualified;

FURTHER RESOLVED, that any and all resolutions, acts and proceedings of the sole director of the Company heretofore adopted and taken in the general conduct of the business affairs of the Company are hereby approved, ratified and adopted as the acts and deeds of the Company;

FURTHER RESOLVED, that the following persons are hereby elected officers of the Company, with the titles shown, to serve, at the pleasure of the Board, until their respective successors are chosen and qualified or until their respective earlier death, resignation or removal from office:

<u>Name</u>	<u>Title</u>
Frank Baumann	President and Secretary
Daniel Gutschenritter	Vice President and Treasurer
David White	Vice President
Patrice Trisvan	Vice President

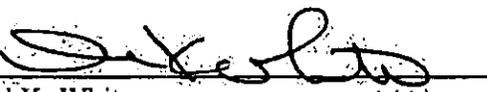
FURTHER RESOLVED, that all acts of the officers of the Company heretofore taken in the general conduct of the business affairs of the Company are hereby approved, ratified and adopted as the acts and deeds of the Company.

In attestation of the accuracy of the foregoing and of their approval of the action taken as described therein, and as evidence of their waiver of notice to the taking of such action by written consent, the undersigned, being the sole shareholder and the sole member of the Board of Directors of the Company, have hereunto subscribed their hands, or caused a duly authorized officer of same to subscribe his hand, to the same extent and for all purposes as if actual meetings of the shareholders and the Board of Directors had been held on the date first written above.

SOLE SHAREHOLDER:
BAYMARK HEALTH SERVICES, INC.

By: 
David K. White, President

SOLE DIRECTOR:


David K. White



BAART00-01

WEVANS

CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
 9/27/2019

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

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

PRODUCER Krauter & Company - San Francisco 100 Pringle Avenue, Suite 570 Walnut Creek, CA 94596	CONTACT NAME: whitney evans PHONE (A/C, No, Ext): (415) 944-3051 FAX (A/C, No): (415) 384-6669 E-MAIL ADDRESS: wevans@krautergroup.com
INSURER(S) AFFORDING COVERAGE	
INSURER A: Lloyd's of London	NAIC # EC145
INSURER B: Berkshire Hathaway Homestate Insurance Company	20044
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
 Merrimack River Medical Services, Inc.
 DBA Health Care Resource Centers Somersworth
 200 Route 108
 Somersworth, NH 03878

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			W19B04190501	10/1/2019	10/1/2020	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000 Deductible \$ 25,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY Deductible: \$25,000			W19B04190501	10/1/2019	10/1/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) <input checked="" type="checkbox"/> N N/A If yes, describe under DESCRIPTION OF OPERATIONS below			BAWC020426	10/1/2019	10/1/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Med Mal/Professional			W19B04190501	10/1/2019	10/1/2020	Each Claim/Aggregate \$ 5,000,000
A	Sexual Misconduct			W19B04190501	10/1/2019	10/1/2020	Each Claim/Aggregate \$ 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Blanket Additional Insured, Blanket Waiver of Subrogation, Primary and Non-Contributory is included with regards to the General Liability and Auto Liability as required by written contract/or agreement, subject to the terms, conditions, and exclusions within the policy.

SEE ATTACHED ACORD 101

CERTIFICATE HOLDER Evidence Only	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 <i>Linda Wright</i>
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ADDITIONAL REMARKS SCHEDULE

AGENCY Krauter & Company - San Francisco		NAMED INSURED Merrimack River Medical Services, Inc. DBA Health Care Resource Centers Somersworth 200 Route 108 Somersworth, NH 03878	
POLICY NUMBER SEE PAGE 1		EFFECTIVE DATE: SEE PAGE 1	
CARRIER SEE PAGE 1	NAIC CODE SEE P 1		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Description of Operations/Locations/Vehicles:
Workers' Compensation (Community Physicians P.C.)
Berkshire Hathaway Homestate Ins Co
Policy #COWC929563
12/29/18 to 12/29/19
Bodily Injury by Accident - \$1,000,000 Each Accident
Bodily Injury by Disease - \$1,000,000 Policy Limit
Bodily Injury by Disease - \$1,000,000 Each Employee

Crime Policy #8251-9234
08-13-19 to 08-13-20
Federal Insurance Company
\$1,000,000 Limit of Liability / \$25,000 Retention

Cyber Policy #EON G28419296 003
08-13-19 to 08-13-20
ACE American Insurance Company
\$2,500,000/\$2,500,000 Ea. Accident/Aggregate Limit
\$25,000 Retention

This Certificate is issued as Evidence of Insurance Only.

Effective date of this Endorsement: October 1, 2019

This Endorsement is attached to and forms a part of Policy Number: W19B04190501

Syndicate 2623/623 at Lloyd's, referred to in this endorsement as either the "Insurer" or the "Underwriters"

BLANKET ADDITIONAL INSURED ENDORSEMENT – GENERAL LIABILITY COVERAGE ONLY
(WITH WAIVER)

This endorsement modifies insurance provided under the following:

Miscellaneous Medical Professional Liability, General Liability, Advertising Liability, Products/Completed Operations Liability and Employee Benefits Liability Insurance Claims Made and Reported Insurance

In consideration of the premium charged for the Policy, it is hereby understood and agreed that solely in relation to coverage provided under **INSURING AGREEMENTS**, A.2. General Liability, Advertising Liability, Products/Completed Operations Liability, Clause II. **PERSONS INSURED** is amended to include any entity for which the **Insured** has assumed such entity's liability in a written contract or agreement (an "Additional Insured") solely for services rendered by or on behalf of the **Named Insured** and that is also named in a **Claim** if all of the following conditions are met:

1. The **Claim** against the Additional Insured seeks damages for which the **Insured** has assumed liability;
2. This insurance applies to such liability assumed by the **Insured**;
3. The obligation to defend the Additional Insured, has also been assumed by the **Insured** in the same contract or agreement;
4. The allegations in the **Claim** and the information known about the incident are such that no conflict appears to exist between the interests of the **Insured** and the interests of the Additional Insured;
5. The Additional Insured and the **Insured** ask Underwriters to conduct and control the defense of that Additional Insured against such **Claim** and agree that Underwriters can assign the same counsel to defend the **Insured** and the Additional Insured;
6. The Additional Insured agrees in writing to:
 - a. Cooperate with the Underwriters in the investigation, settlement or defense of the **Claim**;
 - b. Immediately send Underwriters copies of any demands, notices, summonses or legal papers received in connection with the **Claim**;
 - c. Notify any other insurer whose coverage is available to the Additional Insured; and
 - d. Cooperate with Underwriters with respect to coordinating other applicable insurance available to the Additional Insured; and
7. The Additional Insured provides Underwriters with written authorization to:
 - a. Obtain records and other information related to the **Claim**; and
 - b. Conduct and control the defense of the Additional Insured in such **Claim**. All other terms and conditions of this Policy remain unchanged.

The **Named Insured** waives any right of recovery the **Named Insured** may have against any person or organization, where required by the **Insured's** written contract with the Additional Insured, because of payments made by the **Named Insured** for **Damages and Claims Expenses** arising out of the **Named Insured's** operations.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: October 1, 2019

This Endorsement is attached to and forms a part of Policy Number: W19B04190501 . . .

Syndicate 2623/623 at Lloyd's, referred to in this endorsement as either the "Insurer" or the "Underwriters"

BLANKET ADDITIONAL INSURED ENDORSEMENT – PROFESSIONAL LIABILITY COVERAGE
(WITH WAIVER OF SUBROGATION)

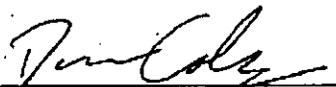
This endorsement modifies insurance provided under the following:

Miscellaneous Medical Professional Liability, General Liability, Advertising Liability, Products/Completed Operations Liability and Employee Benefits Liability Insurance Claims Made and Reported Insurance

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Solely in relation to coverage provided under **INSURING AGREEMENTS, A. Professional Liability Clause II. PERSONS INSURED** is amended to include any entity for which the Insured has assumed such entity's liability in a written contract or agreement (an "Additional Insured") solely for services rendered by or on behalf of the **Named Insured** and that is also named in a **Claim** if all of the following conditions are met:
 - A. The **Claim** against the Additional Insured seeks damages for which the Insured has assumed liability;
 - B. This Insurance applies to such liability assumed by the Insured;
 - C. The obligation to defend the Additional Insured has also been assumed by the Insured in the same contract or agreement;
 - D. The allegations in the **Claim** and the information known about the incident are such that no conflict appears to exist between the interests of the Insured and the interests of the Additional Insured;
 - E. The Additional Insured and the Insured ask the Underwriters to conduct and control the defense of that Additional Insured against such **Claim** and agree that the Underwriters can assign the same counsel to defend the Insured and the Additional Insured;
 - F. The Additional Insured agrees in writing to:
 - i. Cooperate with the Underwriters in the investigation, settlement or defense of the **Claim**;
 - ii. Immediately send the Underwriters copies of any demands, notices, summonses or legal papers received in connection with the **Claim**;
 - iii. Notify any other insurer whose coverage is available to the Additional Insured; and
 - iv. Cooperate with the Underwriters with respect to coordinating other applicable insurance available to the Additional Insured; and
 - G. The Additional Insured provides Underwriters with written authorization to:
 - i. Obtain records and other information related to the **Claim**; and
 - ii. Conduct and control the defense of the Additional Insured in such **Claim**.
2. The **Named Insured** waives any right of recovery the **Named Insured** may have against any person or organization, where required by the Insured's written contract with the Additional Insured, because of payments made by the **Named Insured** for **Damages and Claims Expenses** arising out of the **Named Insured's** operations.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: October 1, 2019

This Endorsement is attached to and forms a part of Policy Number: W19B04190501

Syndicate 2623/623 at Lloyd's, referred to in this endorsement as either the "Insurer" or the "Underwriters"

BLANKET ADDITIONAL INSURED ENDORSEMENT WITH PRIMARY COVERAGE

This endorsement modifies insurance provided under the following:

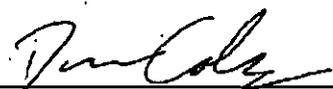
Miscellaneous Medical Professional Liability, General Liability, Advertising Liability, Products/Completed Operations Liability and Employee Benefits Liability Insurance Claims Made and Reported Insurance

In consideration of the premium charged for the Policy, it is hereby understood and agreed that Clause II, **PERSONS INSURED** is amended to include any entity for which the Insured has assumed such entity's liability in a written contract or agreement (an "Additional Insured") solely for services rendered by or on behalf of the **Named Insured** and that is also named in a **Claim** if all of the following conditions are met:

- A. The **Claim** against the Additional Insured seeks damages for which the **Insured** has assumed liability;
- B. This Insurance applies to such liability assumed by the **Insured**;
- C. The obligation to defend the Additional Insured has also been assumed by the **Insured** in the same contract or agreement;
- D. The allegations in the **Claim** and the information known about the incident are such that no conflict appears to exist between the interests of the **Insured** and the interests of the Additional Insured;
- E. The Additional Insured and the **Insured** ask Underwriters to conduct and control the defense of that Additional Insured against such **Claim** and agree that Underwriters can assign the same counsel to defend the **Insured** and the Additional Insured;
- F. The Additional Insured agrees in writing to:
 - i. Cooperate with the Underwriters in the investigation, settlement or defense of the **Claim**;
 - ii. Immediately send Underwriters copies of any demands, notices, summonses or legal papers received in connection with the **Claim**;
 - iii. Notify any other insurer whose coverage is available to the Additional Insured; and
 - iv. Cooperate with Underwriters with respect to coordinating other applicable insurance available to the Additional Insured; and
- G. The Additional Insured provides Underwriters with written authorization to:
 - i. Obtain records and other information related to the **Claim**; and
 - ii. Conduct and control the defense of the Additional Insured in such **Claim**.

- H. The coverage provided in this endorsement shall be primary and not contributing with any other insurance maintained by the Additional Insured, subject to the provisions set forth above.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Subject: NH CARE Program RFA-2019-DPHS-04-NHCAR-15

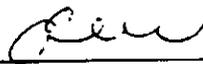
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name The Mental Health Center of Greater Manchester		1.4 Contractor Address 401 Cypress Street Manchester, NH 03103	
1.5 Contractor Phone Number (603) 668-4111	1.6 Account Number 05-95-90-902510-22290000-530-500371	1.7 Completion Date March 31, 2021	1.8 Price Limitation \$22,500
1.9 Contracting Officer for State Agency Nathan D. White Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory William Bider, President and CEO	
1.13 Acknowledgement: State of NH, County of Hillsborough On 6/23/2020, 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): 		Elaina B Pousland NOTARY PUBLIC State of New Hampshire My Commission Expires 1/22/2025	
1.13.2 Name and Title of Notary or Justice of the Peace Elaina Pousland, Executive Assistant			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Ann Landry, Associate Commissioner Date: 7/18/2020	
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) (if applicable) By: Catherine Pinos On: 07/20/20			
1.18 Approval by the Governor and Executive Council (if applicable) 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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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.

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 notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form 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 thirty (30) 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 provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

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 WTK
6/23/20



Scope of Services

1. Provisions Applicable to All Services

- 1.1. For the purposes of this contract, the Contractor shall be identified as a subrecipient in accordance with 2 CFR 200.0. et seq.
- 1.2. The Contractor shall submit a detailed description of the language assistance services they shall provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.3. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.4. The Contractor is an extension of the direct NH CARE Program; therefore, shall adhere to all applicable legislative and programmatic requirements when providing services, including but not limited to:
 - 1.4.1. Ryan White Comprehensive AIDS Resources Emergency (CARE) Act legislation, administered by the U.S. Department of Health and Human Services (HHS), Health Resources and Services Administration (HRSA), HIV/AIDS Bureau (HAB).
 - 1.4.2. HRSA National Monitoring Standards, as instructed by the Division of Public Health (DPHS), which are available online at:
 - 1.4.2.1. Fiscal Standards
(<https://hab.hrsa.gov/sites/default/files/hab/Global/fiscalmonitoringpartb.pdf>)
 - 1.4.2.2. Program Standards
(<https://hab.hrsa.gov/sites/default/files/hab/Global/programmonitoringpartb.pdf>)
 - 1.4.2.3. Universal Standards
(<http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>)
- 1.5. The Contractor shall ensure services are provided by a New Hampshire licensed medical professionals and certified professionals who are free from any mental or physical impairment or condition that would preclude their abilities to competently perform the essential functions or duties in this agreement.



2. Scope of Work

- 2.1. The Contractor shall provide outpatient mental health and/or substance use disorder counseling and treatment to individuals enrolled in the NH CARE Program and refer clients to re-enroll in the NH CARE Program, as appropriate.
- 2.2. The Contractor shall adhere to the NH CARE Program Schedule of Fees policy. The NH CARE Program has a schedule of charges policy that discounts all fees and charges to \$0 dollars for all clients. The subrecipient shall not charge the client additional cost.
- 2.3. The Contractor shall participate in an annual site visit with NH Division of Public Health Services (DPHS) staff in accordance with Exhibit A-1, NH CARE Program Annual Site Visit Process, Contract provider page (<https://www.dhhs.nh.gov/dphs/bchs/std/provider-info.htm>).
- 2.4. The Contractor shall participate in periodic Technical Assistance (TA) monitoring calls with the Department.
- 2.5. The Contractor shall collect, process, transmit and store client level data in a secure, electronic format as specified by the program or if reasonable via CAREWare for the completion of annual reports.
- 2.6. The Contractor shall notify the NH CARE Program in writing of any newly hired administrator, clinical coordinator or any staff person essential to carrying out the contracted services and include a copy of the individuals resume, within thirty (30) days of hire.
- 2.7. The Contractor shall be eligible to apply once a year throughout the contract term for a micro-grant of up to \$5,000 to assist with the implementation of a quality improvement project focused on improving health outcomes, patient care, and/or patient satisfaction in accordance with the NH CARE Program micro-grant requirements upon the contract effective date.

WHL

6/23/20



NH CARE PROGRAM ANNUAL MONITORING SITE VISIT PROCESS

Annual Monitoring Site Visit Process – NH Ryan White Part B

Purpose of the Site Visit

The Health Resources Services Administration (HRSA), Health Administration Bureau (HAB), National Monitoring Standards require that the Ryan White HIV/AIDS Program Part B Recipient conduct annual site visits with each Subrecipient to ensure compliance on proper use of federal grant funds and adherence to fiscal, clinical, programmatic, and professional guidelines put in place.

The National Monitoring Standards may be found online:

Fiscal Standards: <https://hab.hrsa.gov/sites/default/files/hab/Global/fiscalmonitoringpartb.pdf>

Program Standards: <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>

Universal Standards:

<https://hab.hrsa.gov/sites/default/files/hab/Global/universalmonitoringpartab.pdf>

Monitoring Standards FAQs: <http://www.ccbh.net/s/programmonitoringfaq.pdf>

Including Tuberculosis Care Services subrecipient adherence to the NH statute RSA-141C:

<http://www.gencourt.state.nh.us/rsa/html/X/141-C/141-C-mrg.htm> and Administrative Rules HeP-

301.05: http://www.gencourt.state.nh.us/rules/state_agencies/he-p.html

NHRWCP Service Provider Responsibility

- Providers are required to maintain an individual case record or medical record for each client served.
- All billed services match services documented in records.
- All records are kept in a secure place and in an organized fashion.
- Providers review and are familiar with service monitoring tools.
- Assembling and preparing all necessary records and materials for completion of the service monitoring tools by the Recipients.
- Have knowledgeable staff available to answer questions that may arise.
- Make available to the Recipient all materials requested during monitoring visit.
- Submit to the Recipient a completed *Site Visit Monitoring Tool* form within one week of receipt of electronic notification of site visit.

NHRWCP – Part B Recipient Responsibility Prior to the Visit

- Providers will be notified electronically no later than fifteen days prior to an on-site visit of the date and time of visit.
- The electronic notification will include confirmation letter, day of site visit agenda, Fiscal and Programmatic Checklists and monitoring tool.
- No later than two (2) days before the monitoring site visit the Recipient shall provide a Monitoring Site Visit Random Sample Memo – list of records to be reviewed.



NH CARE PROGRAM ANNUAL MONITORING SITE VISIT PROCESS

NHRWCP – Part B Recipient Responsibility during the Site Visit

Conduct Opening Discussion

- Upon arrival at the monitoring location, Recipient staff will meet with appropriate provider staff to discuss the purpose of the visit, review prior year monitoring outcomes, and address any questions the provider staff may have. The provider staff will be asked to explain how their charts or electronic medical records are organized so that data is accurately collected.

Perform Monitoring

- Recipient staff will review the requested records and documents as outlined in the site visit conformation letter, using the monitoring tools. A random sample of client records is chosen for review as a means of verifying that services are being provided in accordance with established standards and recorded accurately. In order to ensure efficiency and accuracy of the monitoring process, appropriate provider staff must be available to Recipient staff when needed throughout the monitoring process.

Conducting Closing Discussion

- At the completion of the monitoring site visit, Recipient staff will summarize initial findings, highlighting strengths and areas in which there is opportunity for growth, and also providing direction and offering technical assistance on interim action steps (if necessary). Finally, the provider will be notified that formal written report of the visit will be sent.

NHRWCP – Part B Recipient Responsibility Following the Site Visit

Recipient will send a formal written report of the site visit findings

- A formal written report summarizing the monitoring site visit, including findings and recommendations, will be sent to each provider.

Conduct additional site visits as necessary

- Recipient office reserves the right to conduct additional site visits as necessary to verify the implementation of any recommended quality improvement activities.

Random Sampling

The sample population is randomly selected from a pool of unduplicated Ryan White clients who received services during the designated audit period. The number of charts selected for review is based on suggested sample size methodology provided through a National Monitoring Standards technical assistance webinar. Please note that the random selection of unduplicated clients may change at the discretion of the Recipient staff. An estimate of sample sizes is listed below:

- 51-100% of files/charts for service types with 50 clients or fewer
- 25-50% of files/charts for service types with 51 to 100 clients
- 10% of files/charts for service categories with 101 to 999 clients

Additional Considerations

Newly funded/contracted Providers

- For newly funded/contracted providers in a grant year, the Recipient will conduct an orientation site visit within six months of commencement of services. This site visit is an opportunity for the Recipient staff to give an overview of the roles and responsibilities of the Recipients and Subrecipient or provider.
- The orientation site visit will consist of a review of the monitoring tools, a review of the program, fiscal, and service delivery requirements.



NH CARE PROGRAM ANNUAL MONITORING SITE VISIT PROCESS

Abbreviated Site Visit (Technical Conference Call)

- For providers who deliver billable services to 10 or fewer clients within a contract year, the Recipient will conduct an abridged site visit by way of a brief technical conference call. This call is an opportunity for the recipient staff to provide technical support and collaborate with the subrecipient.



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 shall reimburse the Contractor for Mental Health & Substance Use Disorder Counseling/Treatment Services provided by the contractor to enroll NH CARE Program clients.
2. The Contractor shall maximize billing to private and commercial insurances, Medicare and Medicaid, for all reimbursable services rendered. ***The Department is the payor of last resort and services will be reimbursed at NH Medicaid rates.***
3. 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.
4. The funding source for this agreement for Mental Health & Substance Use Disorder Counseling/Treatment Services are 100% Other Funds from the Pharmaceutical Rebates in the amounts identified below:
 - 4.1. Funds for **Mental Health & Substance Use Disorder Counseling and Treatment Services** across all vendors, statewide, are anticipated to be \$82,500 and be available in the following amounts:
 - 4.1.1. \$30,000 for State Fiscal year 2019.
 - 4.1.2. \$30,000 for State Fiscal Year 2020.
 - 4.1.3. \$22,500 for State Fiscal Year 2021.
5. Payments shall be made as follows:
 - 5.1. The Contractor shall invoice NH CARE Program for services using a health insurance claim form or reasonable facsimile. Additional invoicing methods may be approved by the Department.
 - 5.2. The Contractor shall submit completed invoices 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
 - 5.3. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.



Exhibit B

- 5.4. The Contractor shall submit the final invoice no later than forty (40) days after the completion date indicated in Form P-37, General Provisions, Block 1.7, Completion Date.
6. 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.



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 Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

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

New Hampshire Department of Health and Human Services
Exhibit C



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.



REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, 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.

1.2. Section 10, 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.

2. Renewal

2.1. The Department reserves the right to extend this agreement for up to three (3) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive 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

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Date 11/23/97

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)

401 Cypress St.
Manchester, NH
03103

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

Contractor Name: The Mental Health Center of
Greater Manchester

6/23/20
Date

WR
Name: William Rider
Title: President and 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-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: The Mental Health Center of Greater Manchester

6/23/20
Date

William Rider
Name: William Rider
Title: President and 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

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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: *The Mental Health Centers of Greater Manchester*

6/23/20
Date

William Rider
Name: *William Rider*
Title: *President and CEO*

Contractor Initials *WTR*
Date 6/23/20



**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

WML

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

6/23/20

New Hampshire Department of Health and Human Services
Exhibit G



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

The 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: The Mental Health Center of Greater Manchester

6/23/20
Date

[Signature]
Name: William Rider
Title: President and CEO

Exhibit G

Contractor Initials WR

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

Date 6/23/20



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

The 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: *The Mental Health Center of
Greater Manchester*

6/23/20
Date

W. Rider
Name: *William Rider*
Title: *President and CEO*

Contractor Initials *WR*
Date 6/23/20



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Reserved

JML

6/23/20



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

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

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

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

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

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

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

Contractor Name: *The Mental Health Center of
Greater Manchester*

6/23/20
Date

WTK
Name: *William Rider*
Title: *President and CEO*



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: 073 978 280
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

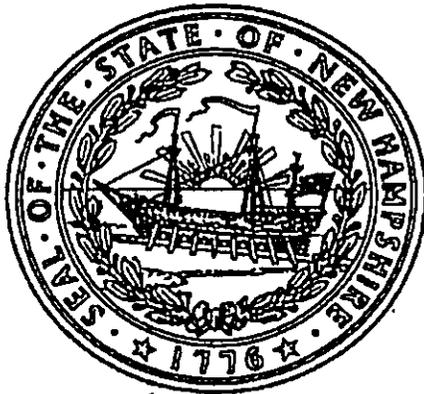
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE MENTAL HEALTH CENTER OF GREATER MANCHESTER, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on October 17, 1960. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 63323

Certificate Number : 0004080433



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 4th day of April A.D. 2018.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Phillip Hastings, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of The Mental Health Center of Greater Manchester.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on April 28, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That William Rider, President/Chief Executive Officer (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of The Mental Health Center of Greater Manchester to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

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

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

Dated: 6/23/20


Signature of Elected Officer
Name: Phil Hastings
Title: Chairman of the Board of Directors



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/26/2020

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

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

PRODUCER CGI Business Insurance 5 Dartmouth Drive Auburn NH 03032	CONTACT NAME: Teri Davis PHONE (A/C, No, Ext): (866) 841-4800 FAX (A/C, No): (603) 622-4618 E-MAIL ADDRESS: TDavis@CGIBusinessInsurance.com																				
	<table border="1"> <thead> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A:</td> <td>Philadelphia Insurance</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td>Philadelphia Indemnity</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td>A.I.M. Mutual</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Philadelphia Insurance		INSURER B:	Philadelphia Indemnity		INSURER C:	A.I.M. Mutual		INSURER D:			INSURER E:			INSURER F:	
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INSURER D:																					
INSURER E:																					
INSURER F:																					
INSURED The Mental Health Center of Greater Manchester, Inc. 401 Cypress Street Manchester NH 03103-3628																					

COVERAGES CERTIFICATE NUMBER: 20-21 Master REVISION NUMBER:

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

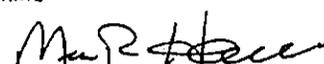
INSR LTR	TYPE OF INSURANCE	ADD'L SUBR INSD	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Professional Liability \$2M Agg			PHPK2110552	04/01/2020	04/01/2021	EACH OCCURRENCE \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						DAMAGE TO RENTED PREMISES (EA occurrence) \$ 100,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2109943	04/01/2020	04/01/2021	MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB715114	04/01/2020	04/01/2021	GENERAL AGGREGATE \$ 3,000,000
							PRODUCTS - COM/OP AGG \$ 3,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	ECC6004000298-2019A	09/12/2019	09/12/2020	Sexual/Physical Abuse or \$ 1,000,000
							COMBINED SINGLE LIMIT (EA accident) \$ 1,000,000
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							Medical Payments \$ 5,000
							EACH OCCURRENCE \$ 10,000,000
							AGGREGATE \$ 10,000,000
							\$
							<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
							E.L. EACH ACCIDENT \$ 500,000
							E.L. DISEASE - EA EMPLOYEE \$ 500,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000

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

Supplemental Names Manchester Mental Health Foundation, Inc., Manchester Mental Health Realty, Inc., Manchester Mental Health Services, Inc., Manchester Mental Health Ventures, Inc.
This Certificate is issue for insured operations usual to Mental Health Services.

CERTIFICATE HOLDER

CANCELLATION

DHHS 129 Pleasant Street Concord NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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Mission

To empower individuals to achieve recovery and promote personal and community wellness through an accessible, comprehensive, integrated and evidence-based system of mental health care.

Vision

To promote prevention recovery and wellness, and strive to be a center of excellence and sought after partner in developing and delivering state-of-the-art mental health treatment integrated within our community.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.

COMBINING FINANCIAL STATEMENTS

June 30, 2017

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.

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June 30, 2017

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Kittell Branagan & Sargent

Certified Public Accountants

Vermont License # 167

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.

We have audited the accompanying combining financial statements of The Mental Health Center of Greater Manchester, Inc. and its affiliate Manchester Mental Health Foundation, Inc. (nonprofit organizations) which comprise the combining statement of financial position as of June 30, 2017, and the related combining statements of activities and cash flows for the year then ended, and the related notes to the combining 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. 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.

To the Board of Directors
of The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
Page 2

Opinion

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the individual and combining financial positions of The Mental Health Center of Greater Manchester, Inc. and Manchester Mental Health Foundation, Inc. as of June 30, 2017, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 20 through 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



St. Albans, Vermont
October 13, 2017

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
COMBINING STATEMENTS OF FINANCIAL POSITION
June 30, 2017

	<u>ASSETS</u>			
	<u>MHCGM</u>	<u>Foundation</u>	<u>Eliminating Entries</u>	<u>Combined Total</u>
CURRENT ASSETS				
Cash	\$ 8,194,042	\$ 18,763	\$ -	\$ 8,212,805
Accounts Receivable, net	1,296,512	-	-	1,296,512
Other Accounts Receivable	801,672	55,585	(55,585)	801,672
Grant Receivable	75,885	-	-	75,885
Investments	-	3,590,460	-	3,590,460
Prepaid Expenses	137,302	-	-	137,302
	<u>10,505,413</u>	<u>3,664,808</u>	<u>(55,585)</u>	<u>14,114,636</u>
TOTAL CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT,				
Net of accumulated depreciation	<u>4,736,260</u>	<u>-</u>	<u>-</u>	<u>4,736,260</u>
	<u>\$ 15,241,673</u>	<u>\$ 3,664,808</u>	<u>\$ (55,585)</u>	<u>\$ 18,850,896</u>
TOTAL ASSETS				
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts Payable	\$ 360,968	\$ -	\$ -	\$ 360,968
Due To Affiliate	55,585	-	(55,585)	-
Accrued Payroll & Vacation, other accruals	3,362,471	710	-	3,363,181
Deferred Revenue	74,142	-	-	74,142
Amounts held for Patients and Other Deposits	7,709	-	-	7,709
	<u>3,860,875</u>	<u>710</u>	<u>(55,585)</u>	<u>3,806,000</u>
TOTAL CURRENT LIABILITIES				
EXTENDED ILLNESS LEAVE, Long term	<u>397,240</u>	<u>-</u>	<u>-</u>	<u>397,240</u>
POST-RETIREMENT BENEFIT OBLIGATION	<u>72,950</u>	<u>-</u>	<u>-</u>	<u>72,950</u>
NET ASSETS				
Unrestricted	10,910,608	3,344,409	-	14,255,017
Temporarily restricted	-	87,392	-	87,392
Permanently restricted	-	232,297	-	232,297
	<u>10,910,608</u>	<u>3,664,098</u>	<u>-</u>	<u>14,574,706</u>
TOTAL NET ASSETS				
TOTAL LIABILITIES AND NET ASSETS				
	<u>\$ 15,241,673</u>	<u>\$ 3,664,808</u>	<u>\$ (55,585)</u>	<u>\$ 18,850,896</u>

See Accompanying Notes to Financial Statements

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2017

	MHCGM	Foundation		Eliminating Entries	Combined Total
	Unrestricted	Unrestricted	Temporarily Restricted		
REVENUE AND OTHER SUPPORT					
Program Service Fees	\$ 22,578,451	\$ -	\$ -	\$ -	\$ 22,578,451
Fees and Grants from Governmental Agencies	1,986,543	-	-	-	1,986,543
Rental Income	129,084	-	-	-	129,084
Other Income	3,559,159	-	-	-	3,559,159
TOTAL REVENUE AND OTHER SUPPORT	28,253,237	-	-	-	28,253,237
OPERATING EXPENSES					
Program Services:					
Children & Adolescents	4,273,799	-	-	-	4,273,799
Elderly	298,415	-	-	-	298,415
Emergency Services	1,882,552	-	-	-	1,882,552
Vocational Services	572,426	-	-	-	572,426
Non-Eligibles	1,472,179	-	-	-	1,472,179
Mutli-Service Team	6,814,153	-	-	-	6,814,153
ACT Team	3,142,050	-	-	-	3,142,050
Crisis Unit	3,819,832	-	-	-	3,819,832
Community Residences & Support Living	1,324,370	-	-	-	1,324,370
Other	1,052,422	-	-	-	1,052,422
Total Program Services	24,652,198	-	-	-	24,652,198
Supporting Services					
Management and General	3,058,686	-	-	(100,000)	2,958,686
TOTAL OPERATING EXPENSES	27,710,884	-	-	(100,000)	27,610,884
INCOME FROM OPERATIONS	542,353	-	-	100,000	642,353
NON-OPERATING REVENUE/(EXPENSES)					
Contributions	339,528	100,938	10,227	(235,607)	215,086
Interest/Dividend Income	6,963	97,244	-	-	104,207
Investment Gain	-	263,194	-	-	263,194
Dues	-	(5,333)	-	-	(5,333)
Donations to MHCGM	-	(135,607)	-	135,607	-
Miscellaneous Expenses	-	(2,806)	-	-	(2,806)
NON-OPERATING REVENUE/ (EXPENSES), NET	346,491	317,630	10,227	(100,000)	574,348
INCREASE IN NET ASSETS	888,844	317,630	10,227	-	1,216,701
NET ASSETS AT BEGINNING OF YEAR	10,021,764	3,026,779	77,165	232,297	13,358,005
NET ASSETS AT END OF YEAR	\$ 10,910,608	\$ 3,344,409	\$ 87,392	\$ 232,297	\$ 14,574,706

See Accompanying Notes to Financial Statements.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
COMBINING STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2017

	<u>MHCGM</u>	<u>Foundation</u>	<u>Eliminating Entries</u>	<u>Combined Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ 888,844	\$ 327,857	\$ -	\$ 1,216,701
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	326,239	-	-	326,239
Unrealized gain on investments	-	(207,704)	-	(207,704)
Realized gain on investments	-	(76,040)	-	(76,040)
Decrease (Increase) in Operating Assets:				
Accounts Receivable	1,051,439	-	-	1,051,439
Other Accounts Receivable	(448,497)	-	-	(448,497)
Grant Receivable	(62,841)	-	-	(62,841)
Prepaid Expenses	243,424	-	-	243,424
Increase (Decrease) in Operating Liabilities:				
Accounts Payable	156,766	-	-	156,766
Due to Affiliate	(210,606)	210,606	-	-
Accrued Expenses and Other Current Liabilities	521,775	-	-	521,775
Deferred Revenue	19,864	-	-	19,864
Amounts held for Patients and Other Deposits	1,970	-	-	1,970
Post Retirement Benefit Obligation	(7,650)	-	-	(7,650)
Extended Illness Leave	(11,256)	-	-	(11,256)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,469,471</u>	<u>254,719</u>	<u>-</u>	<u>2,724,190</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant, and equipment, net	(1,931,475)	-	-	(1,931,475)
Proceeds from sale of investments	-	2,540,393	-	2,540,393
Purchase of investments	-	(2,799,583)	-	(2,799,583)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,931,475)</u>	<u>(259,190)</u>	<u>-</u>	<u>(2,190,665)</u>
NET INCREASE (DECREASE) IN CASH	537,996	(4,471)	-	533,525
CASH AT BEGINNING OF YEAR	<u>7,656,046</u>	<u>23,234</u>	<u>-</u>	<u>7,679,280</u>
CASH AT END OF YEAR	<u>\$ 8,194,042</u>	<u>\$ 18,763</u>	<u>\$ -</u>	<u>\$ 8,212,805</u>

See Accompanying Notes to Financial Statements.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Mental Health Center of Greater Manchester, Inc. (the "Center") a not-for-profit corporation, organized under New Hampshire law to provide services in the areas of mental health, and related non-mental health programs is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. In addition, the organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(2). In July 1990, the Center was reorganized and Manchester Mental Health Foundation, Inc. (the "Foundation") became the sole corporate member of the Center. The Foundation is also a 501(c)(3). The Foundation's purpose is to raise and invest funds for the benefit of the Center.

Basis of Presentation

The combining financial statements include the accounts of The Mental Health Center of Greater Manchester, Inc. and its affiliate, Manchester Mental Health Foundation, Inc. All inter-company transactions and accounts have been eliminated in combination.

Estimates

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

Income Taxes

Consideration has been given to uncertain tax positions. The federal income tax returns for the years ended after June 30, 2014, remain open for potential examination by major tax jurisdictions, generally for three years after they were filed.

State Grants

The Center receives a number of grants from, and has entered into various contracts with the State of New Hampshire related to the delivery of mental health services.

Depreciation

The cost of property, equipment and improvements is depreciated over the estimated useful life of the assets using the straight line method. Assets deemed to have a useful life greater than three years are deemed capital in nature. Estimated useful lives range from 3 to 40 years.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Vacation Pay and Fringe Benefits

Vacation pay is accrued and charged to the programs when earned by the employee. Fringe benefits are allocated to the appropriate program expense based on the percentage of actual time spent on the programs.

Revenue

Revenue from federal, state and other sources is recognized in the period earned.

Accounts Receivable

Accounts receivable are recorded based on amounts billed for services provided, net of respective contractual adjustments and bad debt allowances.

Policy for Evaluating Collectability of Accounts Receivable

In evaluating the collectability of accounts receivable, the Center analyzes past results and identifies trends for each major payor source of revenue for the purpose of estimating the appropriate amounts of the allowance for contractual adjustments and bad debts. Data in each major payor source is regularly reviewed to evaluate the adequacy of the allowance for contractual adjustments and doubtful accounts. Specifically, for receivables relating to services provided to clients having third-party coverage, an allowance for contractual adjustments and doubtful accounts and a corresponding provision for contractual adjustments and bad debts are established for amounts outstanding for an extended period of time and for third-party payors experiencing financial difficulties; for receivables relating to self-pay clients, a provision for bad debts is made in the period services are rendered based on experience indicating the inability or unwillingness of clients to pay amounts for which they are financially responsible.

Based on management's assessment, the Center provides for estimated contractual allowances and uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Center has used reasonable collection efforts are written off through a change to the valuation allowance and a credit to accounts receivable.

During the year ended June 30, 2017, the Center decreased its estimate in the allowance for doubtful accounts from 78% to 68% of total accounts receivable. The allowance for doubtful accounts decreased to \$2,814,022 as of June 30, 2017 from \$8,427,226 as of June 30, 2016. This was a direct result of an overall decrease in accounts receivable from \$10,775,177 as of June 30, 2016 to \$4,110,534 as of June 30, 2017. The allowance reflects this decrease accordingly.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Client Service Revenue

The Center recognizes client service revenue relating to services rendered to clients that have third-party payor coverage and are self-pay. The Center receives reimbursement from Medicare, Medicaid and Insurance Companies at defined rates for services to clients covered by such third-party payor programs. The difference between the established billing rates and the actual rate of reimbursement is recorded as allowances when received. For services rendered to uninsured clients (i.e., self-pay clients), revenue is recognized on the basis of standard or negotiated discounted rates. At the time services are rendered to self-pay clients, a provision for bad debts is recorded based on experience and the effects of newly identified circumstances and trends in pay rates. Client service revenue (net of contractual allowances and discounts but before taking account of the provision for bad debts) recognized during the year ended June 30, 2017 totaled \$22,578,451, of which \$22,399,097 was revenue from third-party payors and \$179,354 was revenue from self-pay clients.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Temporarily and Permanently Restricted Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets.

Temporarily restricted net assets are those whose use by the Center or Foundation has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as either net assets released from restrictions (for non-capital related items) or as net assets released from restrictions used for capital purchases (capital related items).

Permanently restricted net assets are restricted by donors and to be maintained in perpetuity. Income earned on permanently restricted net assets, to the extent not restricted by the donor, including net realized appreciation on investments, would be included in the statement of activities as unrestricted resources or as a change in temporarily restricted net assets in accordance with donor-intended purposes.

Included in the Foundation's unrestricted net assets is \$600,000 of board designated net assets, which was the result of a board approved donation from the Center to the foundation during the year ended June 30, 2015 of \$600,000.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefit Program

The Center maintains a tax-sheltered annuity benefit program, which covers substantially all employees. Eligible employees may contribute up to maximum limitations (set annually by the IRS) of their annual salary. After one year's employment, the employees' contributions are matched by the Center up to 5 percent of their annual salary. The combined amount of employee and employer contributions is subject by law to yearly maximum amounts. The employer match was \$421,665 for the year ended June 30, 2017.

Postretirement Medical Benefits

The Center sponsors an unfunded defined benefit postretirement plan covering certain of its employees (employed prior to January 1, 1997). In 2008, all eligible active employees were offered and accepted a buyout of the program leaving the plan to provide medical benefits to eligible retired employees. See Note 8 for further discussion of the Plan.

For retirements prior to January 1, 1997, benefits are based upon quoted premium rates. For retirements on or after January 1, 1997 up to June 30, 2007, the benefits are based on monthly premiums frozen at their December 31, 1996 level. The plan is funded as premiums are paid.

Malpractice Loss Contingencies

The Center has an occurrence basis policy for its malpractice insurance coverage. An occurrence basis policy provides specific coverage for claims resulting from incidents that occur during the policy term, regardless of when the claims are reported to the insurance carrier. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Center. In the event a loss contingency should occur, the Center would give it appropriate recognition in its financial statements.

NOTE 2 CLIENT SERVICE REVENUES FROM THIRD PARTY PAYORS

The Center has agreements with third-party payors that provide payments to the Center at established rates. These payments include:

New Hampshire and Managed Medicaid

The Center is reimbursed for services from the State of New Hampshire and Managed Care Organizations for services rendered to Medicaid clients on the basis of fixed Fee for Service and Case Rates.

Approximately 68% of net client service revenue is from participation in the state and managed care organization sponsored Medicaid programs for the year ended June 30, 2017. Laws and regulations governing the Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonable possible that recorded estimates could change materially in the near term.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 3 PROPERTY AND EQUIPMENT

Property, plant and equipment is stated at cost. Expenditures for maintenance and repairs are charged to expense as incurred and expenditures for major renovations are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets being depreciated.

Property and equipment consisted of the following at June 30, 2017:

Land	\$ 1,415,708
Buildings and improvements	5,193,929
Furniture and equipment	2,048,695
Construction in progress	<u>1,074,127</u>
	9,732,459
Accumulated depreciation	<u>(4,996,199)</u>
	<u>\$ 4,736,260</u>

Depreciation expense for the year ended June 30, 2017 was \$326,239.

NOTE 4 ACCOUNTS RECEIVABLE

ACCOUNTS RECEIVABLE - TRADE

Due from clients	\$ 1,570,357
Managed medicaid	305,365
Medicaid receivable	343,618
Medicare receivable	207,385
Other insurance	<u>1,683,809</u>
	4,110,534
Allowance	<u>(2,814,022)</u>
	<u>\$ 1,296,512</u>

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 4 ACCOUNTS RECEIVABLE (continued)

ACCOUNTS RECEIVABLE – OTHER

Amoskeag Residences	\$ 5,665
BBH - Cypress Center	112,500
BBH - ES	73,484
BBH - IRB	5,244
BBH - PATH	3,347
BBH - Renew	3,393
Catholic Medical Center	13,271
Christian Financials	3,000
Community Connection	12,162
Dartmouth	9,663
Easter Seals	7,659
Farnum Center	14,268
Manchester Community Health	21,126
Meaningful Use	212,500
New Hampshire Milestone	9,000
North Shore LIJ	17,341
MCRT	267,752
Miscellaneous accounts receivable	<u>10,297</u>
	<u>\$ 801,672</u>

GRANTS RECEIVABLE

State of New Hampshire – DHHS Division for Children, Youth and Families	<u>\$ 75,885</u>
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NOTE 5 DEFERRED REVENUE

CIP Grant	\$ 16,578
Central NY Services	11,140
REAP Grant	22,249
Endowment for Health	9,233
Great Manchester Charitable Trust	4,587
Maine Quality Counts	10,000
Miscellaneous deferred revenue	<u>355</u>
	<u>\$ 74,142</u>

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 LINE OF CREDIT

As of June 30, 2017, the organization had available a line of credit with a bank with an upper limit of \$2,500,000. The line was not utilized as of June 30, 2017. These funds are available with interest charged at Prime Rate (3.5% as of June 30, 2017). The line of credit is due on demand.

NOTE 7 LEASES

The Center leases certain facilities and equipment under operating leases which expire at various dates. Aggregate future minimum payments under non-cancelable operating leases with terms of one year or more as of June 30, 2017 are as follows:

2018		\$ 65,367
2019		39,328
2020		25,579
2021		9,410
2022		8,657

Rent expense was \$568,583 for the year ended June 30, 2017.

NOTE 8 EXTENDED ILLNESS LEAVE (EIL)

The following table sets forth the Center's funded status of EIL as of June 30, 2017:

Net Post-Retirement Health Cost:

Service cost		\$ 25,953
Interest cost		<u>13,528</u>
Net post retirement health cost		<u>\$ 39,481</u>

Change in Accumulated Projected Benefit Obligation:

Accumulated benefit obligation at beginning of year		\$ 408,496
Service cost		25,953
Interest cost		13,528
Actuarial loss		(6,758)
Benefits paid		<u>(43,979)</u>
Benefit obligation at end of year		<u>\$ 397,240</u>

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 EXTENDED ILLNESS LEAVE (EIL) (continued)

Balance Sheet Liability:

Accumulated postretirement benefit obligation	\$ 397,240
Fair value of plan assets	<u> -</u>
Unfunded accumulated postretirement benefit obligation	<u>\$ 397,240</u>

Reconciliation of Accrued Costs:

Accrued post retirement health cost at beginning of year	\$ 560,072
Net post retirement health cost for the year	29,781
Contributions made during the year (benefits paid)	<u>(43,979)</u>
Accrued post retirement health cost at end of year	<u>\$ 545,874</u>

Estimated Future Benefit Payments:

2017 – 2018	\$ 35,300
2018 – 2019	20,700
2019 – 2020	68,300
2020 – 2021	40,100
2021 – 2022	41,300
2022 – 2027	168,800

Expected contribution for next fiscal year	<u>\$ 35,300</u>
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Change in Balance Sheet Liability:

Balance sheet liability at beginning of year	\$ (408,496)
Net actuarial gain arising during the year	6,758
Increase from current year service and interest cost	(39,481)
Contributions made during the year	<u>43,979</u>
Balance sheet liability at end of year	<u>\$ (397,240)</u>

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 EXTENDED ILLNESS LEAVE (EIL) (continued)

Amounts Recognized as Adjustments to Unrestricted Net Assets:

Adjustments to unrestricted net assets from adoption of of FAS 158 at beginning of year	\$ (151,578)
Net actuarial (gain) or loss arising during the year	(6,759)
Reclassification from amortization of net actuarial loss recognized during the year	<u>9,701</u>

Unrestricted net assets not yet classified as NPBC at end of year	<u>\$ (148,636)</u>
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Unrestricted Net Assets Not Yet Classified As Net
Postretirement Benefit Cost:

Unrecognized prior service cost	\$ -
Unrecognized net actuarial gain or (loss)	<u>(148,636)</u>

Unrestricted net assets not yet classified as NPBC at end of year	<u>\$ (148,636)</u>
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Unrestricted Net Assets Expected to be Reclassified as Net
Postretirement Benefit Cost in Next Fiscal Year:

Recognition of amortization of net Actuarial Loss in next fiscal year's expense	<u>\$ 9,701</u>
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The weighted-average discount rate used in determining the accumulated benefit obligation was 3.75% at June 30, 2017.

NOTE 9 OTHER POST-RETIREMENT HEALTH BENEFIT PLAN

During 2007, the Center offered a buyout to employees who would have been eligible to participate in the post-retirement health plan upon their retirement. As a result, no additional employees will be enrolled in the plan. Only current retirees participate in the plan.

During 1997, the Center amended the plan to freeze monthly premiums at their December 31, 1996 level and to no longer provide the postretirement benefit to employees hired after December 31, 1996. The weighted-average annual assumed rate of increase in per capita cost of covered benefits (i.e., health care cost trend rate) was 4.00% for the year ending June 30, 2017; and 4.00% per year for retirements that occurs on or after January 1, 1997, until those retirees' monthly premium cap of \$188 is reached.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 9 OTHER POST-RETIREMENT HEALTH BENEFIT PLAN (continued)

Net Post-Retirement Health Cost:

Interest cost	\$ 2,627
Net amortization of (gain)	<u>786</u>
Net post retirement health cost/(income)	<u>\$ 3,413</u>

Change in Accumulated Projected Benefit Obligation:

Accumulated benefit obligation at beginning of year	\$ 80,600
Interest cost	2,627
Actuarial loss	786
Benefits paid	<u>(11,063)</u>
Benefit obligation at end of year	<u>\$ 72,950</u>

FASB Balance Sheet Liability:

Accumulated postretirement benefit obligation	\$ 72,950
Fair value of plan assets	<u>-</u>
Unfunded accumulated postretirement benefit obligation	<u>\$ 72,950</u>

Reconciliation of Accrued Costs:

Accrued benefit obligation at beginning of year	\$ 185,561
Net post retirement health cost/(income) for the year	(8,140)
Contributions made during the year (benefits paid)	<u>(11,063)</u>
Accrued post retirement health cost at end of year	<u>\$ 166,358</u>

Gains and losses in excess of 10% of the greater of the benefit obligation and the fair value of assets are amortized over the average remaining service period of active participants.

Assumptions

Weighted-average assumptions used to determine Benefit Obligations at June 30, 2017:

Discount rate	<u>3.75%</u>
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The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 9 OTHER POST-RETIREMENT HEALTH BENEFIT PLAN (continued)

Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A 1% change in assumed health care cost trend rates would have the following effects:

	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	\$ <u>2,676</u>	\$ <u>2,580</u>
	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on the health care component of the accumulated postretirement benefit obligation	\$ <u>74,398</u>	\$ <u>71,540</u>

Weighted-average assumptions used to determine Net Periodic Benefit Cost at June 30, 2017:

Discount rate 3.75%

Cash Flows

Estimated Future Benefit Payments:

2017 – 2018	\$ 13,400
2018 – 2019	14,000
2019 – 2020	14,700
2020 – 2021	15,300
2021 – 2022	2,300
2022 – 2027	11,300

Expected contribution for next fiscal year: \$ 13,400

Change in Balance Sheet Liability:

Balance sheet liability at beginning of year	\$ (80,600)
Net actuarial gain or (loss) arising during the year	(786)
Increase from current year service and interest cost	(2,627)
Contributions made during the year	<u>11,063</u>
Balance sheet liability at end of year	<u>\$ (72,950)</u>

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 9 OTHER POST-RETIREMENT HEALTH BENEFIT PLAN (continued)

Amounts Recognized as Adjustments to Unrestricted Net Assets:

Adjustments to unrestricted net assets from adoption of of FAS 158 at beginning of year	\$ (104,962)
Net actuarial (gain) arising during the year	786
Reclassification from amortization of net actuarial loss recognized during the year	<u>10,767</u>

Unrestricted net assets not yet classified as NPBC at end of year	<u>\$ (93,409)</u>
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Reconciliation of Accrued Costs:

Unrecognized prior service cost	\$ -
Unrecognized net actuarial gain or (loss)	<u>(93,409)</u>

Unrestricted net assets not yet classified as NPBC at end of year	<u>\$ (93,409)</u>
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Unrestricted Net Assets Expected to be Reclassified as Net
Postretirement Benefit Cost in Next Fiscal Year:

Recognition of amortization of net Actuarial Loss in next fiscal year's expense	<u>\$ 10,767</u>
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NOTE 10 COMMITMENTS AND CONTINGENCIES

The Center held deposits with TD Bank N.A. totaling \$8,81,253 as of June 30, 2017. Of this amount \$182,919 is in excess of FDIC coverage of \$250,000 and collateralized Federal repurchase agreements totaling \$8,448,334 as of June 30, 2017.

The Foundation held investments with LPL Financial totaling \$3,590,460 as of June 30, 2017. Of this amount \$3,090,460 is in excess of SIPC coverage of \$500,000 and is uninsured.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 11 RELATED PARTY TRANSACTIONS

Amoskeag Residences, Inc. was formed by the Mental Health Center of Greater Manchester, Inc. The board of directors for Amoskeag Residences, Inc. is comprised of members of management from the Center. Included in accounts receivable as of June 30, 2017 is \$5,665 due to the Center from Amoskeag Residences, Inc. The Mental Health Center of Greater Manchester, Inc. is reimbursed for services it provides to Amoskeag Residences, Inc., such as bookkeeping services, insurance coverage, and repairs and maintenance services. The amounts for the years ended June 30, 2017 are as follows:

Billed	<u>\$ 68,667</u>
Reimbursed	<u>\$ 69,832</u>

NOTE 12 INVESTMENTS

Investments are presented in the combining financial statements at market value as follows:

	<u>Cost</u>	<u>Market</u>
Cash and Cash Equivalents	\$ 73,475	\$ 73,475
Marketable Equity Securities	<u>3,268,782</u>	<u>3,516,985</u>
TOTAL	<u>\$3,342,257</u>	<u>\$3,590,460</u>

Investment return consisted of the following:

Advisory Fees	\$ (20,550)
Net realized gain	76,040
Annualized unrealized gain, net	<u>207,704</u>
TOTAL INVESTMENT LOSS	<u>\$ 263,194</u>

NOTE 13 FAIR VALUE MEASUREMENTS

The Foundation's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable or reflective of future fair values. Furthermore, although the Foundation believes its valuations methods are appropriate and consistent with other market participant, the use of different methodologies or assumptions to measure the fair value of certain financial instruments could result in a different fair value at the reporting date.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 13 FAIR VALUE MEASUREMENTS (continued)

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quotes prices in active markets for identical assets and have the highest priority; and Level 3 inputs are unobservable and have the lowest priority.

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 input valuation methods are described in detail below and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds, equities and options are valued at the daily closing price as reported by the fund. Mutual funds, equities and options held by the Foundation are open-end and are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The investments held by the Foundation are deemed to be actively traded.

The following table presents by level, within the fair value hierarchy, the Foundation investment assets at fair value, as of June 30, 2017. As required by professional accounting standards, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

<u>Description</u>	<u>06/30/17</u>	<u>Quoted Price In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash and Cash Equivalents	\$ 73,475	\$ 73,475	\$ -	\$ -
Fixed Income				
Corporate Bonds	589,780	589,780	-	-
Mutual Funds:				
Bank Loans	147,385	147,385	-	-

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 13 FAIR VALUE MEASUREMENTS (continued)

<u>Description</u>	<u>06/30/17</u>	<u>Quoted Price In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Foreign Large Blend	226,441	226,441	-	-
Large Blend	755,448	755,448	-	-
Diversified Emerging Mkts	114,438	114,438	-	-
Inflation Protected Bond	115,311	115,311	-	-
Intermediate Term Bond	136,080	136,080	-	-
Equity Energy	89,608	89,608	-	-
Large Value	148,044	148,044	-	-
Large Growth	97,779	97,779	-	-
Small Value	88,354	88,354	-	-
Health	130,849	130,849	-	-
Foreign Large Growth	157,090	157,090	-	-
Mid-Cap Blend	124,600	124,600	-	-
World Bond	147,127	147,127	-	-
World Small/Mid Stock	154,144	154,144	-	-
Technology	167,767	167,767	-	-
Nontraditional Bond	126,740	126,740	-	-
Total	<u>\$ 3,590,460</u>	<u>\$ 3,590,460</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 14 CONCENTRATIONS OF CREDIT RISK

The Center grants credit without collateral to its clients, most of who are area residents and are insured under third-party payor agreements. The mix of receivables due from clients and third-party payors at June 30, 2017 is as follows:

Due from clients	38 %
Managed medicaid	8
Medicaid	8
Medicare	5
Other insurance	<u>41</u>
	<u>100 %</u>

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
NOTES TO COMBINING FINANCIAL STATEMENTS
June 30, 2017

NOTE 15 SUBSEQUENT EVENTS

In accordance with professional accounting standards, the Center and Foundation has evaluated subsequent events through October 13, 2017, which is the date these basic financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2017, have been incorporated into these basic financial statements herein.

On July 31, 2017 the Center purchased real estate located at 2 Wall Street in Manchester, New Hampshire for \$9,500,000. Of the purchase price, \$5,760,000 was financed with proceeds from a Tax-Exempt Bond Payable and \$1,920,000 was financed with a Mortgage Payable. Terms of the bond payable call for fixed-interest only monthly payments of \$14,688 at 3.06% commencing October 2017 through November 2025, at which point monthly principal and interest payments of \$27,424 commence through August 2042. Terms of the mortgage payable call for monthly principal and interest payments of \$22,886 at 4.4% through December 2025.

SUPPLEMENTARY INFORMATION

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Year Ended June 30, 2017

	Accounts Receivable Beginning of Year	Gross Fees	Contractual Allowances & Discounts	Bad Debts and Other Charges	Cash Receipts	Accounts Receivable End of Year
CLIENT FEES	\$ 5,814,726	\$ 5,146,158	\$ (4,966,804)	\$ (3,830,704)	\$ (593,019)	\$ 1,570,357
MANAGED MEDICAID	2,295,255	20,858,549	(8,600,586)	1,378,910	(15,626,763)	305,365
MEDICAID	723,282	5,456,268	(2,304,050)	13,928	(3,545,810)	343,618
MEDICARE	334,638	2,138,318	(201,936)	(1,094,045)	(969,590)	207,385
OTHER INSURANCE	<u>1,607,276</u>	<u>6,227,014</u>	<u>(1,174,480)</u>	<u>(2,032,093)</u>	<u>(2,943,908)</u>	<u>1,683,809</u>
TOTAL	<u>\$ 10,775,177</u>	<u>\$ 39,826,307</u>	<u>\$ (17,247,856)</u>	<u>\$ (5,564,004)</u>	<u>\$ (23,679,090)</u>	<u>\$ 4,110,534</u>

See Independent Auditor's Report.

The Mental Health Center of Greater Manchester, Inc.
 and Manchester Mental Health Foundation, Inc.
ANALYSIS OF BBH REVENUES, RECEIPTS AND RECEIVABLES
 For the Year Ended June 30, 2017

	<u>BBH Receivable End of Year</u>	<u>BBH Revenues Per Audited Financial Statements</u>	<u>Receipts for Year</u>	<u>BBH Receivable End of Year</u>
CONTRACT YEAR, June 30, 2017	\$ 207,523	\$ 3,161,145	\$ (2,826,203)	\$ 542,465

<u>Analysis of Receipts: Date of Receipt/Deposit</u>	<u>Amount</u>
07/19/16	\$ 25,784
08/15/16	885
09/28/16	180,854
10/28/16	203,166
01/11/17	492,250
01/30/17	187,174
01/31/17	19,000
03/06/17	295,904
03/24/17	8,320
04/07/17	1,770
04/21/17	885
04/24/17	342,800
05/26/17	249,810
06/09/17	363,328
06/21/17	150,798
06/22/17	732
06/23/17	302,743
	<u>\$ 2,826,203</u>

See Independent Auditor's Report.

The Mental Health Center of Greater Manchester, Inc.
and Manchester Mental Health Foundation, Inc.
STATEMENT OF FUNCTIONAL PUBLIC SUPPORT AND REVENUES
For the Year Ended June 30, 2017

	Total Agency	Total Admin.	Total Programs	Child/Adol.	Elderly Services	Emergency Services	Vocational Services	Non - Eligibles	Multi. Service Team	ACT Team	Crisis Unit	Community Residence	Supportive Living	Other Mental Health	Other Non-BBH
PROGRAM SERVICE FEES															
Net Client Fees	\$ 179,354	\$ -	\$ 179,354	\$ 47,666	\$ (36,326)	\$ 285,983	\$ 5,564	\$ 4,247	\$ (148,686)	\$ 42,456	\$ (135,549)	\$ 6,119	\$ (25,136)	\$ -	\$ 133,016
HMO's	2,041,986	-	2,041,986	277,085	35,443	345,012	(27)	350,672	263,809	18,171	751,788	-	-	-	33
Blue Cross/Blue Shield	2,161,291	-	2,161,291	254,839	42,967	314,752	-	396,223	369,084	23,404	760,022	-	-	-	-
Medicaid	15,410,181	-	15,410,181	5,026,075	291,993	452,468	355,364	211,825	5,263,057	2,302,256	569,703	386,274	550,924	-	242
Medicare	1,936,382	-	1,936,382	2,020	215,110	20,054	(14)	178,267	964,746	91,677	464,493	(16)	-	-	45
Other Insurance	849,257	-	849,257	124,783	14,568	113,840	3,843	149,643	89,014	(7,246)	360,481	-	(167)	-	408
Sub-total	22,578,451	-	22,578,451	5,732,468	563,755	1,532,109	364,730	1,290,877	6,801,024	2,470,718	2,770,938	392,377	525,621	-	133,834
PUBLIC SUPPORT															
United Way	19,669	-	19,669	-	-	-	-	19,669	-	-	-	-	-	-	-
LOCAL/COUNTY GOVERNMENT															
Donations/Contributions	339,528	-	339,528	-	-	-	-	135,607	500	-	-	-	-	-	203,421
Div. Alc/Drug Abuse Prev	1,146	-	1,146	1,146	-	-	-	-	-	-	-	-	-	-	-
Div. for Children, Youth & Families	3,540	-	3,540	3,540	-	-	-	-	-	-	-	-	-	-	-
FEDERAL FUNDING															
PATH	40,121	-	40,121	-	-	40,121	-	-	-	-	-	-	-	-	-
RENTAL INCOME	129,084	-	129,084	-	-	-	-	-	-	-	2,610	-	120,578	-	5,896
INTEREST INCOME	6,963	-	6,963	-	-	-	-	-	-	-	-	-	-	-	6,963
BBH															
Bureau of Behavioral Health	1,941,736	-	1,941,736	807	-	440,884	-	-	-	-	1,437,045	-	-	63,000	-
OTHER REVENUES	3,539,490	-	3,539,490	395,742	18,953	562,906	36,970	24,683	337,415	603,963	788,697	9,725	67,991	104	692,341
Sub-total	6,021,277	-	6,021,277	401,235	18,953	1,043,911	36,970	179,959	337,915	603,963	2,228,352	9,725	188,569	63,104	908,621
TOTAL PROGRAM REVENUES	\$ 28,599,728	\$ -	\$ 28,599,728	\$ 6,133,703	\$ 582,708	\$ 2,576,020	\$ 401,700	\$ 1,470,836	\$ 7,138,939	\$ 3,074,681	\$ 4,999,290	\$ 402,102	\$ 714,190	\$ 63,104	\$ 1,042,455

See Independent Auditor's Report.

The Mental Health Center of Greater Manchester, Inc.
 STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended June 30, 2017

	Total Agency	Total Admin.	Total Programs	Child/Adol.	Elderly Services	Emergency Services	Vocational Services	Non-Eligibles	Multi-Service Team	ACT Team	Crisis Unit	Community Residence	Supportive Living	Other Mental Health	Other Non-DMH
PERSONNEL COSTS															
Salary and Wages	\$ 18,240,692	\$ 1,904,603	\$ 16,276,089	\$ 2,833,306	\$ 187,379	\$ 1,371,956	\$ 359,579	\$ 983,396	\$ 4,024,185	\$ 2,082,611	\$ 2,425,321	\$ 243,532	\$ 566,259	\$ 53,704	\$ 544,061
Employee Benefits	3,360,773	381,039	2,979,734	572,202	29,763	199,484	67,466	83,029	853,647	445,459	435,900	57,903	130,888	10,598	93,395
Payroll Taxes	1,355,907	145,675	1,210,232	216,557	14,155	98,430	28,776	71,356	347,633	157,847	176,375	16,920	39,873	4,145	38,165
Sub-total	22,957,372	2,491,317	20,466,055	3,622,065	231,297	1,669,870	455,821	1,137,781	5,825,465	2,685,917	3,037,796	318,355	737,020	68,447	676,221
PROFESSIONAL FEES															
Client Evaluations/Services	205,916	71,096	134,820	(5,292)	719	-	1,741	36,418	27,020	4,093	59,508	-	-	2,326	8,287
Audit Fees	44,821	4,254	40,567	7,304	867	2,856	1,020	2,647	10,754	5,498	5,555	600	1,827	191	1,448
Legal Fees	47,346	3,641	43,705	6,147	652	2,526	1,811	2,226	14,870	7,339	4,837	461	1,415	179	1,242
Other Prof. Fees/Consultants	111,914	8,826	103,088	17,539	2,439	7,881	2,770	6,548	25,524	13,587	12,647	1,352	4,130	633	8,038
STAFF DEVELOPMENT & TRAINING															
Journals/Publications	2,402	247	2,155	114	-	-	93	17	9	-	255	-	520	-	1,147
In-service Training	291	-	291	-	-	-	-	-	41	-	-	-	-	-	250
Conferences/Conventions	57,066	12,302	44,764	8,125	310	3,254	433	780	11,637	4,013	6,233	255	553	231	8,940
Other Staff Development	38,166	480	37,686	1,713	-	6,412	-	-	12,319	5,120	2,304	-	2,500	-	7,318
OCCUPANCY COSTS															
Rent	568,584	94,827	473,757	236,960	-	-	-	142,013	94,784	-	-	-	-	-	-
Heating Costs	11,003	-	11,003	-	-	-	-	-	-	-	-	-	11,003	-	-
Other Utilities	258,999	20,954	238,045	20,163	6,193	23,964	8,269	11,861	43,620	16,538	55,495	-	40,936	7,610	3,396
Maintenance & Repairs	492,529	30,357	462,172	26,263	13,257	30,640	17,791	15,092	96,122	36,766	148,797	880	56,225	18,076	4,263
Other Occupancy Costs	10,133	145	9,988	1,471	-	25	-	215	132	-	2,144	366	5,475	-	160
CONSUMABLE SUPPLIES															
Office	214,959	56,545	158,414	22,496	864	5,721	3,966	16,785	50,868	11,601	29,337	54	3,602	1,138	11,982
Building/Household	66,380	4,101	62,279	3,625	893	4,523	1,195	2,092	6,904	2,479	31,076	320	7,380	1,083	709
Educational/Training	366,947	933	366,014	16,627	5,084	8,026	5,789	1,717	129,588	82,880	70,701	512	4,629	40	40,421
Food	74,231	4,757	69,474	333	8	24	846	26	107	193	63,237	7	4,066	2	625
Medical	88,716	196	88,520	334	39	133	46	121	30,990	254	50,268	27	82	9	6,217
Other Consumable Supplies	572,339	90,134	482,205	81,594	7,924	33,554	13,470	29,046	124,352	67,118	78,466	5,535	22,309	2,442	16,395
Depreciation-Equipment	205,597	21,603	183,994	32,257	6,318	11,753	5,397	11,574	42,884	22,540	28,398	3,765	12,686	959	5,463
Depreciation-Building	120,640	8,412	112,228	3,911	4,780	8,287	6,383	2,192	31,060	12,765	17,339	-	19,490	5,874	147
Equipment Maintenance	27,405	8,133	19,272	2,847	292	865	447	1,263	5,189	2,008	3,967	194	1,534	65	601
Advertising	42,061	6,184	35,877	5,894	723	2,332	778	3,590	8,844	4,421	4,915	436	1,338	146	2,460
Printing	57,735	14,362	43,373	12,499	374	1,641	518	4,185	8,442	2,264	5,390	225	682	114	7,039
Telephone/Communication	271,717	27,602	244,115	38,377	5,979	17,878	11,628	17,228	62,150	26,504	36,348	1,951	15,793	6,521	3,700
Postage & Shipping	53,159	33,888	19,271	3,463	485	1,265	504	1,256	4,997	2,500	2,652	316	956	93	784
TRANSPORTATION															
Staff	200,390	3,541	196,849	36,650	941	11,633	22,054	228	37,918	71,786	5,170	2,294	5,249	224	2,702
Clients	5,911	-	5,911	-	-	(157)	-	-	161	722	3,166	-	2,019	-	-
INSURANCE															
Malpractice & Bonding	65,405	6,108	59,297	10,692	1,302	4,143	1,502	3,875	15,699	8,003	8,082	891	2,714	280	2,114
Vehicles	10,411	988	9,423	1,696	202	663	237	615	2,498	1,277	1,290	139	425	44	337
Comp Property/Liability	141,605	14,153	127,452	22,947	2,727	8,971	3,204	8,316	33,784	17,272	17,451	1,884	5,745	599	4,552
MEMBERSHIP DUES	41,041	4,779	36,262	5,835	850	2,092	856	2,117	12,645	4,166	4,188	546	1,687	158	1,120
OTHER EXPENDITURES	277,693	13,821	263,872	29,150	2,896	11,779	3,855	10,355	42,776	22,366	22,820	2,134	6,881	725	108,135
Total Expenditures	27,710,884	3,058,686	24,652,198	4,273,799	298,415	1,882,552	572,426	1,472,179	6,814,153	3,142,050	3,819,832	343,499	980,871	116,209	936,213
Administration Allocation	-	(3,058,686)	3,058,686	538,420	35,614	238,942	72,455	187,942	853,051	402,255	475,433	38,144	121,443	14,090	80,897
TOTAL PROGRAM EXPENSES	27,710,884	-	27,710,884	4,812,219	334,029	2,121,494	644,881	1,660,121	7,667,204	3,544,305	4,295,265	381,643	1,102,314	130,299	1,017,110
SURPLUS/(DEFICIT)	\$ 888,844	\$ -	\$ 888,844	\$ 1,321,484	\$ 248,679	\$ 454,526	\$ (243,181)	\$ (189,285)	\$ (528,265)	\$ (469,624)	\$ 704,025	\$ 20,459	\$ (388,124)	\$ (67,195)	\$ 25,345

See Independent Auditor's Report.

The Mental Health Center of Greater Manchester - Board of Directors

Jeff	Eisenberg
David	Harrington
Michael	Harrington
Philip	Hastings
Jamie	Hoebeke
Brent	Kiley
Thomas	Lavoie
Tina	Legere
Lizabeth	MacDonald
Sheila	McNeil
Christina	Mellor
Elaine	Michaud
Theresa	Ryan
Schneebaum	Ron
Andrew	Seward
Richard	Shannon
Kevin	Sheppard
Shannon	Sullivan



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF LEGAL AND REGULATORY SERVICES
HEALTH FACILITIES ADMINISTRATION
129 PLEASANT STREET, CONCORD, NH 03301
ANNUAL LICENSE CERTIFICATE

Under provisions of New Hampshire Revised Statutes Annotated Chapter RSA 151, this annual license certificate is issued to:

Name: CYPRESS CENTER (THE)
Located at: 401 CYPRESS STREET
MANCHESTER NH 03103

To Operate: Acute Psychiatric Res Treatment

This annual license certificate is effective under the conditions and for the period stated below:

License#: 02437
Effective Date: 02/01/2020
Administrator: JENNIFER CONLEY

Expiration Date: 01/31/2021

Number of Beds: 16

Comments:

1. CRIM WAIVER 830.18(e)(1&3)

A handwritten signature in black ink, appearing to read "Michael J. Flynn".

Chief Legal Officer

BHFA RESERVES THE RIGHT TO CONDUCT A FULL LIFE SAFETY CODE
INSPECTION AT A LATER DATE

HEALTH FACILITIES ADMINISTRATION-LICENSING
BUREAU OF LICENSING & CERTIFICATION
129 PLEASANT STREET, BROWN BUILDING, CONCORD, NH 03301-3857
TEL. 603-271-9499 OR 1-800-852-3345, EXT. 9499

STATEMENT OF FINDINGS
VISIT TYPE: ANNUAL INSPECTION
VISIT DATE: NOVEMBER 25, 2019

Jennifer Conley, Administrator
The Cypress Center
401 Cypress Street
Manchester, N.H. 03103

LICENSE NUMBER: 02437
LICENSING COORDINATOR (S):
Rod Gagne

As a result of an annual inspection conducted in accordance with RSA 151, the department finds that the provider has been found **IN-COMPLIANCE** with RSA 151 and He-P 830, the statute and rules governing Acute Psychiatric Residential Treatment Programs.

LICENSING SUPERVISOR SIGNATURE:

Kelly Keefe DATE: 12/3/19

MICHAEL D MCNAMARA, DO
THE MENTAL HEALTH CTR
2 WALL ST #300
MANCHESTER NH 03101

Change of Address must be reported in writing to:
New Hampshire Board of Medicine
121 South Fruit Street - STE 301
Concord, NH 03301-2414 (Chapt. 329:161)

State of New Hampshire
BOARD OF MEDICINE

MICHAEL D MCNAMARA, DO

License #: 16646

Issued: 06/04/2014



has been duly registered to practice medicine
in this state through

President

Emily R Baker

06/30/2020