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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

Jeffrey A. Meyers
Commissioner

Deborah H. Fournier
Interim Medicaid Director

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July 27, 2016

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to enter into individual agreements with the vendors listed below to provide Administrative Lead services on behalf of the Integrated Delivery Networks created under the New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration waiver #11-W-00301/1 (Building Capacity Waiver). The Administrative Lead serves as the sole point of contact and accountability to the State in support of the regionally-based network of organizations that form the region's Integrated Delivery Network. The vendors will fulfill activities required under the Demonstration in an amount not to exceed $135,000,000 in the aggregate between all vendors effective August 24, 2016, or date of Governor and Executive Council approval, whichever is later, through June 30, 2021.

Administrative Lead Vendor	Integrated Delivery Network Region
Mary Hitchcock Memorial Hospital	Region 1: Greater Monadnock, Greater Sullivan County, Upper Valley
Concord Hospital, Inc.	Region 2: Capital Area
Southern New Hampshire Health	Region 3: Greater Nashua
Catholic Medical Center	Region 4: Greater Derry, Greater Manchester
Lakes Region Partnership for Public Health, Inc.	Region 5:: Central NH, Winnipesaukee
County of Strafford, New Hampshire	Region 6: Strafford County, Seacoast
North Country Health Consortium	Region 7: North Country RHPN, Carrol County RHPN

Funds are available in the following account for State Fiscal Year 2017 and are anticipated to be available in State Fiscal Years 2018 through 2021 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts through the Budget Office, if needed and justified, between State Fiscal Years without further approval from Governor and Executive Council. These contracts will be funded with waiver funds claimed by the Department. Funding under these contracts will not be released until the waiver funds have been drawn down by the Department in accordance with the federal claiming process approved by the Centers for Medicaid and Medicare Services (CMS). Funds are a combination of Federal Funds and previously appropriated State General Funds, drawn down by the State in accordance with the Special Terms and Conditions and all of the applicable protocols approved by CMS of New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/.* The Department has been authorized to date to accept and expend $44.7 million through June 30, 2017. The Department's

authority to disburse additional funds beyond above this amount is contingent upon receipt of further legislative approval.

05-95-47-470010-52010000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS; OFC OF MEDICAID & BUS PLCY, OFF. OF MEDICAID & BUS. POLICY, IDN FUND

Fiscal Year	Class/Account	Class/Title	Amount
2017	102-500731	Contracts for Program Services	$ 39,250,000
2018	102-500731	Contracts for Program Services	$ 26,500,000
2019	102-500731	Contracts for Program Services	$ 27,250,000
2020	102-500731	Contracts for Program Services	$ 28,000,000
2021	102-500731	Contracts for Program Services	$ 14,000,000
		Total:	**$135,000,000**

EXPLANATION

The purpose of these seven agreements is to provide the Department with a single point of accountability for each regional Integrated Delivery Network being developed under the New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration waiver, #11-W-00301/1 (Building Capacity Waiver). On January 5, 2016, the Centers for Medicare and Medicaid Services ("CMS") approved the State's application to participate in this Demonstration waiver that will allow the state to access up to $150 million dollars over the next five years for the purpose of strengthening and expanding capacity for the state's behavioral health system. Under the Demonstration, in 2016 New Hampshire will begin accessing up to $30 million dollars per calendar year to support a Building Capacity Transformation Fund, out of which performance-based awards will be made to regionally-based networks of medical and community social service providers called Integrated Delivery Networks (or IDNs).

Under the terms of New Hampshire's waiver, up to 65% of the 2016 calendar year waiver funding may be distributed to the selected Integrated Delivery Networks for project planning and allowable infrastructure costs such as information technology connections by and between IDN members. The balance of the available calendar year 2016 monies of $10.5 million will be disbursed later in the year after approval of the IDN project plans for services.

On April 15, 2016, the Joint Legislative Fiscal Committee approved Item FIS 16-057, which allows the Department to accept and expend waiver funds in the current biennium up to $44.7 million dollars.

Upon CMS approval of the State's demonstration, the Department launched a plan to engage stakeholders in its next phases. In March 2016, the state delivered more than ten public information sessions reviewing the framework of the demonstration and the details of draft funding and planning protocols for public input. The department also released a draft IDN application for public comment. On April 4, 2016, the Department received sixteen (16) non-binding letters of intent from potential Administrative Lead entities; on April 30 the Department released the final IDN Application through a formal procurement process to solicit the services of Administrative Leads that would submit an official Application on behalf of a regional IDN in development. On May 31, 2016, IDNs submitted final applications to the state. The state procured the services of an Independent Assessor, approved by Governor and Executive Council on June 1, 2016 (Item #17), to independently score IDN applications, using a scoring tool developed by the state in consultation with Manatt, Phelps and Phillips. The independent assessor worked tirelessly throughout June to review all received IDN applications. On June 29, 2016 the Independent Assessor submitted its final reviews and recommendations for

approved IDNs to the state. The IDNs funded through the seven agreements contained in this Request were selected as a result of this transparent and thorough process.

The state's award is known as a "Section 1115(a) Medicaid Research and Demonstration waiver" because the federal dollars being provided to New Hampshire represent new federal match for state health care spending that is not traditionally matched under the Medicaid program, but which the Secretary of Health and Human Services is authorized by Congress under Section 1115 of the Social Security Act to grant as a demonstration when the Secretary determines that providing the new matching funds will further the purposes of the Medicaid program.

Under the Demonstration, the state has been divided into seven geographic regions for the purpose of developing regionally-based Integrated Delivery Networks. The regions were identified by the Department based on a variety of factors, including stakeholder and public input, targeted population needs under the Medicaid program, the flow of commerce and health care traffic, and the presence of a variety of providers including but not limited to hospitals, county facilities, and community-based providers. The actual composition of each region's Integrated Delivery Network was not determined by the Department but was instead left to the providers within each region to determine within parameters set out by the Department. To ensure that Integrated Delivery Networks would be formally established in the state and provided supporting funds under the Demonstration's requirements, the Department issued a Request for Proposals on May 10, 2016 to initiate the solicitation and development of the IDNs with the help of a lead organization that would serve as the conduit between the Department and a network's member organizations. In response to the procurement's release, all seven regions submitted required applications that included a proposed network structure, commitment to collaborate and achieve the goals of the Demonstration, and identified an organization within it to serve as its Administrative Lead.

The agreements between the Department and the Administrative Leads serve multiple functions: create an accountable framework within which the Department can oversee the development and performance of the Integrated Delivery Networks; streamline data collection and reporting to ensure the State's and the Networks' compliance with CMS' Special Terms and Conditions for the Demonstration; create an appropriate conduit to efficiently award Demonstration funds on an incremental and incentive driven basis to support the Networks as each progresses through the Demonstration's Year 1 through 5 activities; and coordinate additional resources available under the Demonstration to support the Networks as they drive toward transforming New Hampshire's behavioral health care delivery system.

These agreements are neither cost-reimbursement based nor fee-for-service driven. If these agreements are approved by the Governor and Executive Council, the Administrative Leads will be authorized to disburse awarded funds to their applicable Network for allowable activities under the Demonstration and as governed within each Administrative Lead's respective Network. The structure of this financial support between CMS, the Department and the Administrative Lead provides the unique opportunity and flexibility necessary to ensure the Department's and the Administrative Lead's compliance with the terms of the Demonstration while not impeding each Network's own flexibility to invest Demonstration funds in the activities needed to integrate physical and behavioral health care, build capacity to provide mental health and substance use disorder treatment, and to minimize gaps in care during transitions into and out of systems of care heavily impacted by behavioral health. The Demonstration's first year activities include the provision of capacity building funds to develop the seven Integrated Delivery Networks and to plan and initiate the projects that each IDN will, over years two through five of the Demonstration, undertake in order to create the transformation sought under the Demonstration. The first year's awards are detailed in the agreement and the incentive-based methodologies for years two through five awards are additionally incorporated.

All of the Integrated Delivery Networks that will receive awarded funds through the Administrative Lead contracts were approved by the Department for participation in the Demonstration on June 30, 2016. The approvals were made after each Integrated Delivery Network completed the application and scoring process required under the Demonstration, which was conducted by an Independent Assessor. Based on the scoring results, the Independent Assessor made recommendations of approval to the State. Upon this approval, the Department initiated its contracting process to ensure Administrative Lead organizations have the contractual relationship necessary for the Department to award Demonstration funds, to maintain accountability for overarching administrative functions, such as data gathering, reporting, and general support within the Network, and to uphold its responsibilities under the Demonstration. The agreements are uniquely structured to reflect the Administrative Lead's relationship to the State, to its respective Network's member organizations, the relationship of the member organizations to the Administrative Leads, and all parties' compliance with the Demonstration's terms and conditions. The agreements include a provision that the Department will not make such payments to the Administrative Leads until federal waiver funds sufficient for such payment are made available to the Department through the federal claiming process under the terms and conditions of the Demonstration, and that the Administrative Leads will not disburse Demonstration funds to organizations until proof of joining the respective Integrated Delivery Network is provided to the Department. Details of the competitive procurement process are provided in Attachment A.

Should the Governor and Executive Council determine to not authorize this Request, the Department will lack the ability to award funds to support Integrated Delivery Networks in development under the goals of the Demonstration. This would effectively leave the Department without an ability to comply with the terms of the Demonstration and risk the State's loss of this unprecedented opportunity to address our ongoing opioid crisis, transform critical elements of New Hampshire's strained behavioral health care delivery system, and improve quality of care for all involved by leveraging significant federal funds.

Area Served: Statewide

Source of Funds: Source of Funds: 50% Federal Funds from the Department of Health and Human Services, Centers for Medicare and Medicaid Services, CMS Research, Demonstrations and Evaluations, Catalog of Federal Domestic Assistance #93.779, and 50% General Funds

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

Respectfully submitted,

Deborah H. Fournier, Esq.
Interim Medicaid Director

Approved by:
Jeffrey A. Meyers
Commissioner

New Hampshire Department of Health and Human Services
Office of Business Operations
Contracts & Procurement Unit
Cost Proposal Evaluation Sheet

Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, Integrated Delivery Network Application	RFP-2016-OCOM-05-BUILD
RFP NAME	**RFP NUMBER**

	APPLICANT	SCORE
1.	Mary Hitchcock Memorial Hospital (Region 1)	77.5
2.	Concord Hospital, Inc. (Region 2)	85
3.	Southern New Hampshire Health (Region 3)	85
4.	Catholic Medical Center (Region 4)	85
5.	Lakes Region Partnership for Public Health, Inc. (Region 5)	77.5
6.	County of Strafford, New Hampshire (Region 6)	77.5
7.	North Country Health Consortium (Region 7)	85

Subject: IDN Administrative Lead (RFP-2016-OCOM-05-BUILD-01)

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 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		1.4 Contractor Address One Medical Center Drive Lebanon, NH 03756-0001	
1.5 Contractor Phone Number (603) 653-6837	1.6 Account Number 05-95-47-470010-52010000	1.7 Completion Date June 30, 2021	1.8 Price Limitation $135,000,000
1.9 Contracting Officer for State Agency Eric B. Borrin, Director		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature RAG MD		1.12 Name and Title of Contractor Signatory Robert A. Greene Executive Vice President Chief Population Health Management Officer	

1.13 Acknowledgement: State of NH, County of

On 7/25/16, 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]

BETHANY L. KENT
STATE OF
- MY -
COMMISSION
EXPIRES
JUNE 15,
2021
NEW HAMPSHIRE
NOTARY PUBLIC

1.13.2 Name and Title of Notary or Justice of the Peace

1.14 State Agency Signature Date: 7.27.16	1.15 Name and Title of State Agency Signatory Jeffrey Meyers, 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: Megan A. Yorke-Attorney On: 8/5/16

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

Contractor Initials RH6
Date 7/25/16

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 $1,000,000per 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.

Contractor Initials RAG
Date 7/25/16

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 RAB
Date 7/25/16

Scope of Services

1. Provisions Applicable to All Services

1.1. Language Assistance Services

The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. Future Legislative Action

The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Contract Period

The contract resulting from this RFP will be effective August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

1.4. Administrative Lead Contractual Role

The Contractor is the Administrative Lead for the Integrated Delivery Network (IDN) for Region 1 , described as Monadnock, Sullivan, Upper Valley, under the Department of Health and Human Services Delivery System Reform Incentive Payment Program. The Contractor shall understand and assume full responsibility for any and all obligations and liabilities as the Administrative Lead for the Region 1 IDN pursuant to this Contract and in compliance with the Special Terms and Conditions issued by the Centers for Medicare and Medicaid Services (CMS) for the *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1, which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* which are hereby incorporated by reference into this Contract as Exhibit L-1.

As the Administrative Lead, the Contractor shall act on behalf of the members organizations, documented in Exhibit K-1 of this Contract, of the Region 1 IDN, including entering this Contract, and receiving and distributing funds provided through this Contract, and in accordance with the Region 1 IDN's governance and management structure, as outlined in the IDN's approved Project Plan.

1.5. DHHS Approved IDN Application and Project Plans

The DHHS Approved IDN Application and Project Plans for the Region 1 IDN are hereby incorporated by reference into this Agreement as Exhibit L-2, and any DHHS approved revisions or the latter thereof. The Contractor shall provide services under this Agreement and consistent with these IDN-specific documents, in addition to the documents referenced in subsection 1.4 herein.

2. Statement of Work

2.1. Goals and Expectations for IDN

2.1.1. Composition and Region Served

2.1.1.1. The IDN shall be made up of multiple community-based social service organizations, hospitals, county facilities, primary care providers, and behavioral health providers (both mental health and substance use disorder). The Contractor shall ensure that it establishes with and maintains a clear business relationship between the IDN's component providers, including a joint budget and funding distribution plan that specifies the methodology for distributing funding to participating providers within the IDN. The funding distribution plan must comply with all applicable laws and regulations.

2.1.1.2. The IDN shall serve the geographic region designated by DHHS as Region 1.

2.1.1.3. The parties acknowledge and understand that IDN's member organizations are permitted to participate in multiple IDNs and are not limited to participation in the Region 1 IDN.

2.1.2. Partnering

2.1.2.1. The Contractor shall ensure that IDN member organizations partner with each other within the Region 1 IDN to design and implement DHHS and CMS approved projects, specific to New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1,* to build behavioral health (mental health and substance use disorder) capacity, promote integration of primary care and behavioral health, facilitate smooth transitions in care, and prepare for alternative payment models.

2.1.2.2. The Contractor shall ensure that the Region 1 IDN provides the full spectrum of care and related social services that might be needed by an individual with a behavioral health (mental health and/or substance use disorder) condition. At a minimum, the IDN shall include the following provider types as member organizations:

a. Primary care practices and facilities, serving the majority of Medicaid beneficiaries;
b. Substance use disorder (SUD) providers, including recovery providers, serving the majority of Medicaid beneficiaries;
c. Representation from Regional Public Health Networks;
d. One or more Regional Community Mental Health Centers;
e. Peer-based support and/or community health workers from across the full spectrum of care;
f. One or more hospitals;
g. One or more Federally Qualified Health Centers, Community Health Centers or Rural Health Clinics where available within a defined region;
h. Multiple community-based organizations that provide social and support services reflective of the social determinants of health for a variety of populations, such as transportation, housing, employment services,

financial assistance, childcare, veterans services, community supports, legal assistance, etc.

i. County facilities, such as nursing facilities and correctional institutions.

2.1.3. Goals

2.1.3.1. The Region 1 IDN shall build greater behavioral health capacity, improve integration of physical and behavioral health, and improve care transitions for Medicaid beneficiaries. Under this Contract, the achievement of these goals shall be supported by the IDN's ability to earn performance-based fiscal incentive payments for achieving specified process milestones and clinical outcome metric targets. These shall be achieved in compliance with the IDN's DHHS and CMS approved IDN application and Project Plan.

2.1.4. Administrative Functions

2.1.4.1. The Contractor shall fulfill the reporting and project management responsibilities described in its DHHS and CMS approved IDN Application, including at minimum: capturing, integrating and consolidating data from IDN partner organization as part of the periodic reporting to DHHS throughout the Contract Period. This shall include but not be limited to associated process and outcome metrics that must be reported for each calendar year 2017 through 2020 (Demonstration years 2 through 5) on a semi-annual basis for each stated goal or objective of a project undertaken as part of this Agreement. DHHS reserves the right to designate that some or all reporting requirements utilize standardized reporting forms and at minimum, those required by CMS. The Contractor shall utilize all required DHHS and CMS approved standardized reporting forms; any other reporting formats used by the Contractor shall be subject to DHHS approval.

2.1.4.2. The Contractor shall apply financial processes and controls to maintain its financial stability and ability, throughout the Contract Period, to ensure that transparency and accountability in the management and distribution of waiver funding to the IDN's partner organizations is achieved.

2.1.4.3. The Contractor shall ensure that the IDN participates in Alternative Payment Models that are adopted by DHHS with Medicaid Service delivery and Medicaid managed care plans.

2.1.4.4. The Contractor shall ensure that the Contractor and its IDN partner organizations participate in and collaborate with DHHS designees and agents of DHHS that are assigned to perform and fulfill certain roles and responsibilities under New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1*, including but not limited to the: Independent Assessor, Learning Collaborative leader, Demonstration Health Information Technology Taskforce leader, Demonstration Workforce Capacity leader, and Independent Evaluator, upon DHHS request.

3. Staffing

3.1. Minimum Staffing Requirements

3.1.1. The Contractor shall provide adequate numbers of professionally qualified staff to perform all required contracted services. At minimum, this shall include staff to fulfill the contractual responsibilities specified in Exhibit L-2, the IDN's DHHS approved application, and as required in Exhibits L-1.

3.1.2. The Contractor shall guarantee that all personnel providing the services required by the Contract are qualified to perform their assigned tasks and possess the appropriate professional certification and licensing that may be required by state and federal laws, rules and regulations.

3.1.3. DHHS shall be advised of, and approve in writing, any permanent or temporary changes to or deletions from the Contractor's key personnel who directly impact the management and provision of the contracted services described herein. This requirement shall not extend to the key personnel of the IDN's partner organizations unless such individuals also hold a role required of the Administrative Lead as specified in Exhibit L-1.

4. Compliance

4.1. Delegation and Subcontractors

4.1.1. The Contractor shall identify, and provide advance notice to DHHS, of any and all subcontractors to be utilized in fulfillment of its contractual responsibilities. DHHS reserves the right to accept or reject the use of any subcontractor.

4.2. Compliance with Federal Regulations

4.2.1. The Contractor shall ensure that the delivery of services shall be completed in compliance with the following Federal regulations:

4.2.1.1. Medicaid -42 U.S.C. §1396 et seq (Title XIX Social Security Act);

4.2.1.2. Managed Care Reporting-42 U.S.C. §438 et seq;

4.2.1.3. Transparency-42 C.F.R. 431.412;

4.2.1.4. American with Disabilities Act of 1990;

4.2.1.5. Title VI of the Civil Rights Act of 1964;

4.2.1.6. Section 504 of the Rehabilitation Act of 1973; and

4.2.1.7. Age Discrimination Act of 1975.

Exhibit B

Method and Conditions Precedent to Payment

1. The Contractor understands and agrees that no minimum or maximum payment to the Contractor is guaranteed by this Agreement. The Contractor understands and agrees that all payments under this Agreement are contingent upon the criteria set forth in Section 4 Payment and Funding Allocation of this Exhibit B. The Contractor understands and agrees that the Price Limitation identified in Block 1.8 of the General Provisions (P-37) represents the combined maximum possible payment for all Contractors for the duration of the Agreement. The Contractor understands and agrees that in no event shall the total amount of payments to all Contractors under *New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1* exceed the Price Limitation identified in Block 1.8 of the General Provisions (P-37).

   1.1. The Contractor, acting on behalf of the Integrated Delivery Network (IDN) serving Region 1, described as Monadnock, Sullivan, Upper Valley, shall be recognized by the Department of Health and Human Services (DHHS) as the Administrative Lead of this IDN. Payments to the Contractor are in the Contractor's official capacity as Administrative Lead for this IDN.

      1.1.1. Payments to the Contractor are in support of the approved IDN activities and projects authorized under this Agreement during the Contract Period. The Contractor shall distribute such payments to the Region 1 IDN's member organizations in accordance with its governance documents.

   1.2. The Contractor shall ensure that the Contractor and member organizations in the Region 1 IDN complete and execute an applicable Certificate of Authorization, as specified in Exhibit K.

      1.2.1. The Contractor shall provide to DHHS a notarized original of such Certificates executed by the Contractor upon the Contractor's execution of this Agreement. All such Certificates shall be contained in Exhibit K-1.

      1.2.2. Within ten (10) calendar days of a member organization joining the Region 1 IDN, the Contractor shall provide to DHHS a notarized original of the applicable Certificate, referenced in 1.2. above, that has been executed by a duly authorized representative of the member organization. Additionally, the Contractor shall provide to DHHS a notarized original of a Certificate of Vote/Authorization, issued by the member organization's leadership body that conferred such authorization.

      1.2.3. Should any member organization cease participation in the IDN during the Contract Period, the Contractor shall provide the Department a notarized copy of the withdrawal document developed by the Contractor and the organization within ten (10) calendar days of withdrawal of participation in the IDN, and the Contractor shall certify that the Contractor is acting in accordance with the plan specified in Exhibit L-2 for such withdrawals.

      1.2.4. The Contractor shall not disburse any funds from this contract to a member organization of the Region 1 IDN until such time as the applicable Certificates referenced in 1.2.2. above are executed and provided to DHHS.

Exhibit B

2. Contract period: August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

3. The Contractor understands and agrees that payments made under this Agreement are for the Contractor's fulfillment of the duties and responsibilities specified in this Agreement.

4. **Payment and Funding Allocation**:

   Payments made under this Agreement shall be determined by DHHS in accordance with the payment methodology stated in Exhibit L-1, New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, Attachment D, DSRIP Program Funding and Mechanics Protocol, any revisions thereof, or the latest version as approved by the Centers for Medicare and Medicaid Services (CMS). DHHS determinations shall not be negotiable by the Contractor.

   4.1. Payment Schedule

   4.1.1. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, DHHS shall make a payment to the Contractor on behalf of the approved Region 1 IDN. This payment shall be in the amount of $1,392,857.

   4.1.2. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, based on the Region 1 IDN's share of attributed Medicaid beneficiaries, DHHS shall make payment of $1,423,763 to the Contractor. The attribution of Medicaid beneficiaries for this payment purpose shall be set by DHHS and shall not be negotiable by the Contractor.

   4.1.3. The payments specified in Subsections 4.1.1. and 4.1.2. above shall be used by the Contractor for costs incurred, on or after June 30, 2016 – the date DHHS approved the Region 1 IDN Application, and such costs are incurred by the Contractor to achieve metrics associated with the projects in the IDN's approved Project Plan or to sustain the metrics achieved through the Region 1 IDN's approved Project Plan and for otherwise allowable uses of incentive funds as described by DHHS in the Integrated Delivery Network (IDN) Application.

   4.1.4. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *ii.*, based on the Region 1 IDN's share of attributed Medicaid beneficiaries, DHHS shall allocate and make payment to the Contractor of a proportional share of the IDN Transformation Fund, upon the IDN's successful submission and DHHS approval of the IDN's Project Plan. The attribution of Medicaid beneficiaries for this purpose shall be set by DHHS and considered final for the remainder of the contract period; the attribution shall not be negotiable by the Contractor.

   4.1.5. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. b)., for calendar years 2017 through 2020, DHHS shall allocate the maximum amount of incentive funding annually available to be earned by the Region 1 IDN. Payment is conditional upon the Contractor's compliance with the Semi-Annual Reporting for IDN Project Achievement requirements specified in Exhibit L-1, or the latest CMS approved version thereof. DHHS shall make semi-annual incentive payments to the Contractor in accordance with the incentive payment methodology specified in Exhibit L-1, or

the latest CMS approved version thereof. Payment of the maximum amount of funding available is not guaranteed.

4.1.6. Funds paid to the IDNs are a combination of Federal Funds and previously appropriated State General Funds, drawn down by the State in accordance with the Special Terms and Conditions and all of the applicable protocols approved by CMS of New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1.* The Department has been authorized to date to accept and expend $44.7 million through June 30, 2017. The Department's authority to disburse additional waiver funds above this amount is contingent upon receipt of further legislative approval.

5. The services described in Exhibit A, Scope of Services, are funded with 50% General funds, and 50% Federal funds made available under:

CFDA #:	93.778
Federal Agency:	U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services
Program Title:	Medical Assistance Programs
FAIN:	TBD

6. Reporting

6.1. Upon DHHS and CMS approval of the Region 1 IDN's final IDN Project Plans, the Contractor shall submit quarterly expenditure reports within thirty (30) calendar days of each calendar year quarter for the remaining contract period. These reports shall identify variances in actual expenditures versus the final IDN Project Plan; the Contractor shall include written explanations for all such variances.

6.2. Contractor inquiries regarding allocations and payments made by DHHS to the Contractor shall be directed by the Contractor to the DHHS designee:

Athena Gagnon, Senior Medicaid Financial Manager
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
Email: agagnon@dhhs.state.nh.us

7. Notwithstanding anything to the contrary herein, the Contractor agrees that payments under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been 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 Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

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

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

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

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

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

16. **Equal Employment Opportunity Plan (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 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.

      4.1 The Department shall not make payment to the Contractor until federal waiver funds sufficient for such payment are made available to the Department through the federal claiming process under the terms and conditions of New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1.

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

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

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

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

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

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

3. Subparagraph 6. Retroactive Payments, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with:

   6. **Reserved**.

4. Subparagraph 7. Conditions of Purchase, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   7. **Reserved**.

5. Subparagraph 12. Completion of Services, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   12. **Completion of Services:** Disallowance of Costs: Upon the Department's fulfillment of the payments required in subparagraph 4.1 Payment Schedule of Exhibit B of this Contract, 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 continue until the end of the term of this Contract, provided however, that if, upon review of the Final Expenditure Report the Department disallows any expenses claimed by the Contractor as costs that are not allowable under the New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, 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.

6. **Agreement Elements:**

   6.1 The Agreement between the parties shall consist of the following, in descending order of precedence:

   4. General Provisions (P-37);
   5. Exhibit A Scope of Services;
   6. Exhibit B Methods and Conditions Precedent to Payment;
   7. Exhibit C Special Provisions;
   8. Exhibit C-1 Revisions to Special Provisions;
   9. Exhibit D Certification Regarding Drug-Free Workplace Requirements;
   10. Exhibit E Certification Regarding Lobbying;
   11. Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters;
   12. Exhibit G Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections;
   13. Exhibit H Certification Regarding Environmental Tobacco Smoke;
   14. Exhibit I Health Insurance Portability Act Business Associate Agreement;
   6.1.11 Exhibit J Certification Regarding the Federal Funding Accountability and Transparency Act (FFATA) Compliance;
   6.1.12 Exhibit K and K-1 IDN Administrative Lead and Member Entity Certificates of Authorization;
   6.1.13 Exhibit L-1 through L-2 New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1 Documents and IDN Application, revisions thereof, or the later DHHS and CMS approved version thereof, including Attachments, incorporated by reference; and
   6.1.14 RFP-2016-OCOM-05-BUILD

   6.2 In the event of any conflict or contradiction between or among the Agreement documents, the document higher in the order of precedence shall control.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

Contractor Name:

July 25, 2016
Date

Name: Robert A. Greene
Title: Executive Vice President
Chief Population Health Management Officer

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:

July 25, 2016
Date

Name: Robert A. Greene
Title: Executive Vice President
Chief Population Health Management Officer

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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:

July 25, 2016
Date

Name: Robert A. Greene
Title: Executive Vice President
Chief Population Health Management Officer

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.

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:

July 25, 2016
Date

Name: Robert A. Greene
Title: Executive Vice President
Chief Population Health Management Officer

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:

July 25, 2016
Date

Name: Robert A. Greene
Title: Executive Vice President
Chief Population Health Management Officer

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions**.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

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

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

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

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

(3) Obligations and Activities of Business Associate.

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

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

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

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

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

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

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

The State	Mary Hitchcock Memorial Hospital
Name of the Contractor	
Signature of Authorized Representative	Signature of Authorized Representative
Jeffrey Meyers	Robert A. Greene
Name of Authorized Representative	Name of Authorized Representative
Commissioner	Executive Vice President Chief Population Health Management Officer
Title of Authorized Representative	Title of Authorized Representative
7.27.16	July 25, 2016
Date	Date

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

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

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

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

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

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

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

Contractor Name:

July 25, 2016
Date

Name: Robert A. Greene
Title: Executive Vice President
Chief Population Health Management Officer

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: 069910297

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

   __X__ NO _____ YES

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

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

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

   _____ NO _____ YES

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

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

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

   Name: _ Amount: _

   Name: _ Amount: _

   Name: _ Amount: _

   Name: _ Amount: _

   Name: _ Amount: _

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that _____ is a member of
(Administrative Lead)

_____, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that _____ fully understands its obligations as
(Administrative Lead)

Administrative Lead for _____ and
(IDN Name)

assumes full responsibility for any and all obligations and liabilities as Administrative Lead for _____ pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

_____
Signature of Elected/Appointed Officer

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally

appeared the person identified as _____
(Name of individual signing on behalf of Administrative Lead)

or satisfactorily proven to be _____ and
(Name of individual signing on behalf of Administrative Lead)

acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____
Notary Public/Justice of the Peace

My Commission Expires: _____

initial RAL
date 7/21/16

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Member Entity

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Member Entity)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Member Entity)

2) I hereby certify that_____, as a member of the
(Member Entity)

_____Integrated Delivery Network
(IDN Name)

hereby authorizes_____to act on our behalf
(Administrative Lead)

as the Administrative Lead for_____IDN
(IDN Name)

and further authorizes_____to enter into
(Administrative Lead)

contracts, receive and distribute funds, and perform all other actions required as the Administrative Lead for_____IDN
(IDN Name)

pursuant to the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

3) The statements in this authorization are accurate and binding, and remain in full force and effect as of the date of this document.

4) The undersigned entity, as a member of the

_____understands and agrees that the
(IDN Name)

State of New Hampshire will rely on these statements when contracting with the

_____. This grant of authorization to
(Administrative Lead)

_____shall be binding through the life of
(Administrative Lead)

the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract and shall survive its termination.

_____
Signature of Elected/Appointed Officer

initial RM
date 1/25/16

EXHIBIT K

State of _____

County of _____

On this_____day of _____, 2016, before the undersigned officer personally appeared the person identified as_____or
(Name of individual signing on behalf of Member Entity)
satisfactorily proven to be_____and
(Name of individual signing on behalf of Member Entity)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____

Notary Public/Justice of the Peace

My Commission Expires: _____

initial
date 11/21/16

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, Robert A. Greene
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed Executive Vice President of Mary Hitchcock Memorial Hospital
Chief Population Health Management Officer
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that Mary Hitchcock Memorial Hospital is a member of
(Administrative Lead)
Region 1 IDN, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that Mary Hitchcock Memorial Hospital fully understands its obligations as (Administrative Lead)

Administrative Lead for Region IDN and
(IDN Name)

assumes full responsibility for any and all obligations and liabilities as Administrative Lead for Region 1 IDN pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

Robert A. Greene MD
Signature of Elected/Appointed Officer

State of New Hampshire

County of Grafton

On this 25 day of July, 2016, before the undersigned officer personally appeared the person identified as _____
(Name of individual signing on behalf of Administrative Lead)

or satisfactorily proven to be _____ and
(Name of individual signing on behalf of Administrative Lead)

acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

Bethany K. Kent
Notary Public/Justice of the Peace

My Commission Expires: 6/15/2021

BETHANY K. KENT NOTARY PUBLIC STATE OF NEW HAMPSHIRE MY COMMISSION EXPIRES JUNE 15, 2021

initial RAG
date 7/25/16

Exhibit L-1

New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, *which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* any CMS approved revisions or the latter thereof are hereby incorporated by reference into this Contract as Exhibit L-1.

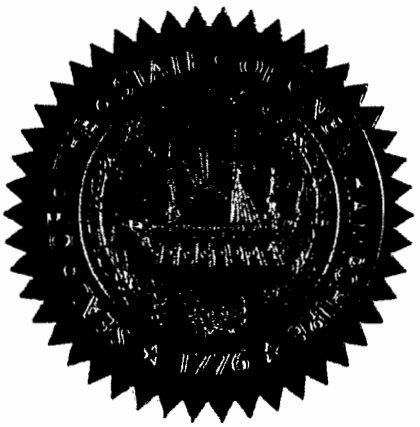
Exhibit L-2

The DHHS Approved IDN Application and Project Plans for the Region 1 IDN are hereby incorporated by reference into this Contract as Exhibit L-2, and any DHHS approved revisions or the latter thereof.

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MARY HITCHCOCK MEMORIAL HOSPITAL is a New Hampshire nonprofit corporation formed August 7, 1889. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 13th day of April A.D. 2016

William M. Gardner
Secretary of State

Dartmouth-Hitchcock

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

CERTIFICATE OF VOTE/AUTHORITY

I, Anne-Lee Verville of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital, do hereby certify that:

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as the Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital this 25 day of July.

Anne-Lee Verville, Board Chair

STATE OF NH

COUNTY OF GRAFTON

The foregoing instrument was acknowledged before me this 25 day of July by Anne-Lee Verville.

BETHANY L. KENT
STATE OF
- MY -
COMMISSION
EXPIRES
JUNE 15,
2021
NEW HAMPSHIRE
NOTARY PUBLIC

Notary Public
My Commission Expires: 7/15/2021

CERTIFICATE OF INSURANCE

DATE: June 20, 2016

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

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

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

COVERAGES

This is to certify that the Policy listed below have been issued to the Named Insured above for the Policy Period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.
This policy issued by a risk retention group may not be subject to all insurance laws and regulations in all states. State insurance insolvency funds are not available to a risk retention group policy.

TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
GENERAL LIABILITY		0002016-A	07/01/2016	06/30/2017	GENERAL AGGREGATE	$ 2,000,000
					PRODUCTS-COMP/OP AGGREGATE	
X	COMMERCIAL GENERAL LIABILITY				PERSONAL ADV INJURY	
					EACH OCCURRENCE	$1,000,000
x	CLAIMS MADE				FIRE DAMAGE	
	OCCURRENCE				MEDICAL EXPENSES	
PROFESSIONAL LIABILITY					EACH OCCURENCE	
					ANNUAL AGGREGATE	
OTHER						

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

Certificate of Insurance issued as evidence of insurance for activities related to Dartmouth-Hitchcock.

CERTIFICATE HOLDER

New Hampshire Medicaid
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3852

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

Client#: 317075 DARTMOUTHH1

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 7/08/2016

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

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

PRODUCER	CONTACT NAME: Jessica Kelley
HUB Healthcare Solutions HUB International New England 100 Central Street, Suite 201 Holliston, MA 01746	PHONE (A/C, No, Ext): 978-661-6233 FAX (A/C, No): 866-381-4798 E-MAIL ADDRESS: jessica.kelley@hubinternational.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Safety National Casualty Corp	
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Dartmouth-Hitchcock Health
1 Medical Center Dr.
Lebanon, NH 03756

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	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	☐ CLAIMS-MADE ☐ OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ☐ NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [N] N / A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			AGC4053417	07/01/2016	07/01/2017	X WC STATU-TORY LIMITS ☐ OTH-ER	
							E.L. EACH ACCIDENT	$1,000,000
							E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Evidence of Workers Compensation coverage for Mary Hitchcock Memorial Hospital.

CERTIFICATE HOLDER

NH DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

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JK002

Dartmouth-Hitchcock

Dartmouth-Hitchcock Medical Center
One Medical Center Drive
Lebanon, NH 03756-0001
Phone (603) 650-4068
dartmouth-hitchcock.org

July 1, 2016

Dartmouth-Hitchcock/Mary Hitchcock Memorial Hospital
Mission Statement
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.

Dartmouth-Hitchcock/Mary Hitchcock Memorial Hospital
Board of Trustees
Anne-Lee Verville, *Chair*
Robert A. Oden, Jr., PhD, *Vice-Chair*
Troy A. Brennan, MD, MPH
R. William Burgess, Jr.
Jeffrey A. Cohen, MD
Duane A. Compton, PhD
William J Conaty
Vincent S. Conti
Denis A. Cortese
Barbara J. Couch
Paul P. Danos, PhD
Senator Judd A. Gregg
M. Brooke Herndon, MD, MS
Barbara C. Jobst, MD
Laura K. Landy
Steven A. Paris, MD
Charles G. Plimpton
Timothy D. Scherer, MD
Brian C. Spence, MD, MHCDS
James N. Weinstein, MD

pwc

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of Dartmouth-Hitchcock Health and Subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 2015 and 2014, and the related consolidated statements of operations and changes in net assets and of cash flows for the years ended June 30, 2015 and 2014.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the consolidated financial statements of The Cheshire Medical Center, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets constituting 9.7% of consolidated total assets at June 30, 2015 and total revenues of 3.5% of consolidated total revenues for the year then ended. Those statements as of June 30, 2015 and for the four months then ended were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for The Cheshire Medical Center, is based solely on the report of the other auditors. We did not audit the consolidated financial statements of New London Hospital Association, Inc. and Subsidiaries, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets constituting 3.8% of consolidated total assets at June 30, 2014 and total revenues of 3.0% of consolidated total revenues for the year then ended. Those statements as of June 30, 2014 and for the nine months then ended were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for New London Hospital Association, Inc. and Subsidiaries, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

PricewaterhouseCoopers LLP, 101 Seaport Boulevard, Boston, MA 02210
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Health System at June 30, 2015 and 2014, and the results of its operations and changes in net assets and its cash flows for the years ended June 30, 2015 and 2014 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Health System changed the manner in which it accounts for investment gains and losses recognized within periodic pension cost in 2015. Our opinion is not modified with respect to this matter.

Other Matter

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

PricewaterhouseCoopers LLP

November 27, 2015

PricewaterhouseCoopers LLP, 101 Seaport Boulevard, Boston, MA 02210
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Balance Sheets
June 30, 2015 and 2014

(in thousands of dollars)	2015	2014
Assets		
Current assets		
Cash and cash equivalents	$ 38,909	$ 50,927
Patient accounts receivable, net of estimated uncollectibles of $92,532 and $124,404 at June 30, 2015 and 2014 (Note 4)	204,272	184,606
Prepaid expenses and other current assets (Note 13)	100,586	91,302
Total current assets	343,767	326,835
Assets limited as to use (Notes 5, 7, and 10)	620,425	629,185
Other investments for restricted activities (Notes 5 and 7)	132,016	101,675
Property, plant, and equipment, net (Note 6)	601,355	484,753
Other assets	88,450	72,508
Total assets	$ 1,786,013	$ 1,614,956
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt (Note 10)	$ 17,179	$ 13,281
Line of credit (Note 13)	1,200	-
Current portion of liability for pension and other postretirement plan benefits (Note 11)	5,961	5,142
Accounts payable and accrued expenses (Note 13)	120,221	93,023
Accrued compensation and related benefits	94,864	78,575
Estimated third-party settlements (Note 4)	36,599	30,677
Total current liabilities	276,024	220,698
Long-term debt, excluding current portion (Note 10)	575,484	550,703
Insurance deposits and related liabilities (Note 12)	62,356	68,498
Interest rate swaps (Notes 7 and 10)	24,740	24,413
Liability for pension and other postretirement plan benefits, excluding current portion (Note 11)	187,568	139,056
Other liabilities	56,109	47,980
Total liabilities	1,182,281	1,051,348
Net assets		
Unrestricted (Note 9)	474,194	462,675
Temporarily restricted (Notes 8 and 9)	76,457	64,664
Permanently restricted (Notes 8 and 9)	53,081	36,269
Total net assets	603,732	563,608
Commitments and contingencies (Notes 4, 6, 7, 10, and 13)	-	-
Total liabilities and net assets	$ 1,786,013	$ 1,614,956

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2015 and 2014

(in thousands of dollars)	2015	2014
Unrestricted revenue and other support		
Net patient service revenue, net of provision for bad debt ($17,562 and $47,606 in 2015 and 2014), (Notes 1 and 4)	$ 1,380,559	$ 1,229,848
Contracted revenue (Note 2)	80,835	92,390
Other operating revenue (Note 2 and 5)	82,993	64,804
Net assets released from restrictions	15,637	11,670
Total unrestricted revenue and other support	1,560,024	1,398,712
Operating expenses		
Salaries	776,402	675,716
Employee benefits	213,975	209,052
Medical supplies and medications	219,967	196,397
Purchased services and other	205,704	169,956
Medicaid enhancement tax (Note 4)	51,996	34,488
Depreciation and amortization	67,213	57,729
Interest (Note 10)	18,442	18,436
Expenditures relating to net assets released from restrictions	15,637	11,670
Total operating expenses	1,569,336	1,373,444
Operating (loss) gain	(9,312)	25,268
Nonoperating gains (losses)		
Investment (losses) gains (Notes 5 and 10)	(11,015)	56,804
Other losses	(1,241)	(4,473)
Contribution revenue from acquisition (Note 3)	92,499	33,692
Total nonoperating gains (losses), net	80,243	86,023
Excess of revenue over expenses	$ 70,931	$ 111,291

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets, Continued
Years Ended June 30, 2015 and 2014

(in thousands of dollars)	2015	2014
Unrestricted net assets		
Excess of revenue over expenses	$ 70,931	$ 111,291
Net assets released from restrictions	2,411	763
Change in funded status of pension and other postretirement benefits (Note 11)	(60,892)	19,669
Change in fair value of interest rate swaps (Note 10)	(931)	1,538
Increase in unrestricted net assets	11,519	133,261
Temporarily restricted net assets		
Gifts, bequests, sponsored activities	10,625	18,295
Investment gains	1,797	1,171
Change in net unrealized (losses) gains on investments	(1,619)	2,998
Net assets released from restrictions	(18,048)	(12,433)
Contribution of temporarily restricted net assets from acquisition	19,038	386
Increase in temporarily restricted net assets	11,793	10,417
Permanently restricted net assets		
Gifts and bequests	202	2,961
Contribution of permanently restricted net assets from acquisition	16,610	2,053
Increase in permanently restricted net assets	16,812	5,014
Change in net assets	40,124	148,692
Net assets		
Beginning of year	563,608	414,916
End of year	$ 603,732	$ 563,608

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2015 and 2014

(in thousands of dollars)	2015	2014
Cash flows from operating activities		
Change in net assets	$ 40,124	$ 148,692
Adjustments to reconcile change in net assets to net cash provided by operating and nonoperating activities		
Change in fair value of interest rate swaps	(104)	(968)
Provision for bad debt	17,562	47,606
Depreciation and amortization	67,414	58,216
Contribution revenue from acquisition	(128,147)	(36,131)
Change in funded status of pension and other postretirement benefits	60,892	(19,669)
Loss on disposal of fixed assets	670	313
Net realized (loses) gains and change in net unrealized (losses) gains on investments	15,795	(58,024)
Restricted contributions	(11,040)	(10,637)
Proceeds from sale of securities	723	413
Changes in assets and liabilities		
Patient accounts receivable, net	(17,151)	(54,587)
Prepaid expenses and other current assets	9,165	(7,669)
Other assets, net	(4,388)	(10,623)
Accounts payable and accrued expenses	(5,169)	10,658
Accrued compensation and related benefits	8,684	757
Estimated third-party settlements	2,637	2,389
Insurance deposits and related liabilities	(17,177)	(23,454)
Liability for pension and other postretirement benefits	(25,471)	(14,980)
Other liabilities	(669)	9,489
Net cash provided by operating and nonoperating activities	14,350	41,791
Cash flows from investing activities		
Purchase of property, plant, and equipment	(87,196)	(50,043)
Proceeds from sale of property, plant, and equipment	1,533	3,155
Purchases of investments	(166,589)	(107,216)
Proceeds from maturities and sales of investments	195,950	111,111
Cash received through acquisition	29,914	3,431
Net cash used by investing activities	(26,388)	(39,562)
Cash flows from financing activities		
Proceeds from line of credit	60,904	100,000
Payments on line of credit	(60,700)	(100,000)
Repayment of long-term debt	(54,682)	(27,351)
Proceeds from issuance of debt	43,452	17,066
Payment of debt issuance costs	6	(418)
Restricted contributions	11,040	8,519
Net cash provided (used) by financing activities	20	(2,184)
(Decrease) increase in cash and cash equivalents	(12,018)	45
Cash and cash equivalents		
Beginning of year	50,927	50,882
End of year	$ 38,909	$ 50,927
Supplemental cash flow information		
Interest paid	$ 21,659	$ 22,220
Asset appreciation due to affiliations	15,596	6,697
Construction in progress included in accounts payable and accrued expenses	1,955	10,550
Equipment acquired through issuance of capital lease obligations	1,741	744
Donated securities	685	413

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

1. Organization and Community Benefit Commitments

Dartmouth-Hitchcock Health (D-HH) serves as the sole corporate member of Mary Hitchcock Memorial Hospital (MHMH) and Dartmouth-Hitchcock Clinic (DHC) (collectively referred to as "Dartmouth-Hitchcock" (D-H)), New London Hospital Association (NLH), Mt. Ascutney Hospital and Health Center (MAHHC) and The Cheshire Medical Center (Cheshire).

The "Health System" consists of D-HH, its affiliates and their subsidiaries.

D-HH currently operates one tertiary and three community acute care hospitals in NH and VT, one facility providing inpatient and outpatient mental health services, and one facility providing inpatient and outpatient rehabilitation medicine and long-term care. D-HH also operates two physician practices and a nursing home. D-HH operates a graduate level program for health professions and is the principal teaching affiliate of the Geisel School of Medicine (Geisel), a component of Dartmouth College.

D-HH, MHMH, DHC, NLH and Cheshire are New Hampshire (NH) not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). MAHHC is a Vermont (VT) not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the IRC.

Fiscal year 2015 includes a full year of operations of D-HH, D-H, NLH, MAHHC and four months of operations of Cheshire. Fiscal year 2014 includes a full year of operations of D-HH, D-H and nine months of operations of NLH (Note 3).

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

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

The Health System files annual Community Benefits Reports with the States of NH and VT which outline the community and charitable benefits it provides. The broad categories used in the Community Benefit Reports to summarize these benefits are as follows:

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

- *Subsidized health services* are services provided even though there is a financial loss because they meet the needs of the community and would not otherwise be available unless the responsibility was assumed by the government.

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

- *Community health-related initiatives* outside of the organization(s) through various financial contributions of cash, in-kind, and grants to local organizations.

- *Community-building activities* include cash, in-kind donations, and budgeted expenditures for the development of programs and partnerships intended to address social and economic determinants of health. Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement. Community benefit operations includes costs associated with staff dedicated to administering benefit programs, community health needs assessment costs, and other costs associated with community benefit planning and operations.

- *Charity care (financial assistance)* represents services provided to patients who cannot afford healthcare services due to inadequate financial resources which result from being uninsured or underinsured. For the years ended June 30, 2015 and 2014, the Health System provided financial assistance to patients in the amount of approximately $50,076,000 and $56,372,000, respectively, as measured by gross charges. The estimated cost of providing this care for the years ended June 30, 2015 and 2014 was approximately $20,781,000 and $20,454,000, respectively. The estimated costs of providing charity care services are determined applying a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of costs to charges is calculated using total expenses, less bad debt, divided by gross revenue.

- *Government-sponsored healthcare services*, provided to Medicaid and Medicare patients at reimbursement levels that are significantly below the cost of the care provided.

- The *uncompensated cost of care for Medicaid* patients reported in the unaudited Community Benefits Reports for 2014 was approximately $109,696,000. The 2015 Community Benefits Reports are expected to be filed in February 2016.

The following table summarizes the value of the community benefit initiatives outlined in the Health System's most recently filed Community Benefit Reports for the year ended June 30, 2014:

(Unaudited, in thousands of dollars)

Community health services	$	3,267
Health professional education		28,551
Subsidized health services		7,407
Research		5,421
Financial contributions		7,142
Community building activities		797
Community benefit operations		29
Charity care		20,454
Government-sponsored healthcare services		159,446
Total community benefit value	$	232,514

The Health System also provides a significant amount of uncompensated care to its patients that are reported as provision for bad debts, which is not included in the amounts reported above. During the years ended June 30, 2015 and 2014, the Health System reported a provision for bad debt expense of approximately $17,562,000 and $47,606,000, respectively. The Health System also routinely provides services to Medicare patients at reimbursement levels that are below the costs of the care provided.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and have been prepared consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954 *Healthcare Entities* (ASC 954), which addresses the accounting for healthcare entities. In accordance with the provisions of ASC 954, net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed stipulations and are available for operations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. All significant intercompany transactions have been eliminated upon consolidation.

Use of Estimates

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

Excess of Revenue Over Expenses
The consolidated statements of operations and changes in net assets include excess of revenue over expenses. Operating revenues consist of those items attributable to the care of patients, including contributions and investment income on unrestricted investments, which are utilized to provide charity and other operational support. Peripheral activities, including unrestricted contribution income from acquisitions, realized gains/losses on sales of investment securities and changes in unrealized gains/losses in investments are reported as nonoperating gains (losses).

Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), change in funded status of pension and other postretirement benefit plans, and the effective portion of the change in fair value of interest rate swaps.

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

The Health System grants credit without collateral to patients. Most are local residents and are insured under third-party arrangements. Additions to the allowance for uncollectible accounts are made by means of the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state govemmental healthcare coverage, and other collection indicators (Notes 1 and 4).

Net Patient Service Revenue
Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and bad debt expense. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates change or final settlements are determined (Note 4).

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

Other Revenue
The Health System recognizes other revenue which is not related to patient medical care but is central to the day-to-day operations of the Health System. This revenue includes retail pharmacy, joint operating agreements, grant revenue, cafeteria sales, meaningful use incentive payments and other support service revenue.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Names
The Health System records trade names as intangible assets within other assets on the consolidated statements of financial position. The Health System considers trade names to be indefinite-lived assets, assesses them at least annually for impairment or more frequently if certain events or circumstances warrant and recognizes impairment charges for amounts by which the carrying values

exceed their fair values. The Health System has recorded $2,700,000 as intangible assets associated with its affiliations. There were no impairment charges recorded for the years ended June 30, 2015 and 2014.

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

On the date a derivative contract is entered into, the Health System designates the derivative as a cash-flow hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability. For all hedge relationships, the Health System formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking cash-flow hedges to specific assets and liabilities on the consolidated balance sheets or to specific firm commitments or forecasted transactions. The Health System also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in variability of cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in unrestricted net assets until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a cash-flow hedge is reported in excess of revenue over expenses in the consolidated statements of operation and changes in net assets.

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

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

Gifts and Bequests
Unrestricted gifts and bequests are recorded net of related expenses as nonoperating gains. Conditional promises to give and indications of intentions to give to the Health System are reported at fair market value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Change in Accounting
During 2015, the Health System elected to change its method of accounting for pension and postretirement benefits. For purposes of calculating the expected return on plan assets, the Health System will no longer use an averaging technique permitted under Generally Accepted Accounting

Principles (GAAP) for the market-related value of plan assets, but instead will use the actual fair value of plan assets. These changes are intended to improve the transparency of the Health System's operating results by more quickly recognizing the effects of current economic and interest rate trends on plan investments and assumptions. These changes have been reported through retrospective application to all periods presented. The impact of the change in accounting for the years ended June 30, 2015 and 2014 was an approximate (reduction) increase in pension expense of ($4,800,000) and $4,900,000, respectively.

Recently Issued Accounting Pronouncements
In May 2014, the FASB issued a standard on Revenue from Contracts with Customers. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2017. The Health System is evaluating the impact this will have on the combined financial statements beginning in Fiscal Year 2018.

3. Acquisitions

Effective July 1, 2014 D-HH became the sole corporate member of Windsor Hospital Corporation (dba Mt. Ascutney Hospital and Health Center "MAHHC") through an affiliation agreement. MAHHC is a not-for-profit corporation providing inpatient and outpatient care services to residents of Windsor County, Vermont. MAHHC is the sole corporate member of Historic Homes of Runnemede, Inc. a not-for-profit Vermont corporation providing recreational, educational and residential care services for the aging. In addition, MAHHC is the sole corporate member of Mt. Ascutney Hospital Community Health Foundation, Inc. which is a not-for-profit Vermont corporation providing health education and promotion programs aimed at improving the health status of the Windsor community. MAHHC and its subsidiaries have a fiscal year end of September 30th.

Effective March 2, 2015 D-HH became the sole corporate member of The Cheshire Medical Center (Cheshire) through an affiliation agreement. Cheshire is a not-for-profit acute care hospital providing inpatient and outpatient services to the residents of Merrimack and Sullivan counties. Cheshire is the sole corporate member of The Cheshire Health Foundation (Cheshire Foundation), a not-for-profit corporation that carries on fundraising activities and manages related investments. Cheshire and Cheshire Foundation have a fiscal year end of June 30th. The D-HH's 2015 consolidated financial statements reflect four months of activity for Cheshire and Cheshire Foundation beginning March 2, 2015.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, The Health System recorded contribution income of approximately $128,147,000 reflecting the fair value of the contributed net assets of MAHHC and Cheshire and their subsidiaries on the transaction dates. Of this amount, $92,499,000 represents unrestricted net assets and is included as a nonoperating gain in the accompanying consolidated statements of operations. Restricted contribution income of $19,038,000 and $16,610,000 was recorded within temporarily and permanently restricted net assets, respectively, in the accompanying consolidated statements of changes in net assets. No consideration was exchanged for the net assets contributed and acquisition costs are expensed as incurred.

The fair value of assets, liabilities, and net assets contributed by MAHHC and Cheshire and their subsidiaries at July 1, 2014 and March 2, 2015 were as follows:

(in thousands)

	MAHHC	Cheshire	Total
Assets			
Cash and cash equivalents	$ 4,159	$ 25,755	29,914
Patient accounts receivable, net	7,063	13,014	20,077
Prepaid expenses and other current assets	1,368	3,345	4,713
Assets limited as to use	15,168	46,440	61,608
Property, plant, and equipment, net	17,644	81,275	98,919
Other assets	2,398	5,698	8,096
Total assets acquired	$ 47,800	$ 175,527	223,327
Liabilities			
Accounts payable and accrued expenses	$ 2,174	$ 19,709	21,883
Accrued compensation and related benefits	2,590	5,016	7,606
Estimated third-party settlements	3,285	-	3,285
Long-term debt	10,213	29,052	39,265
Interest rate swaps	431	-	431
Other liabilities	6,693	16,017	22,710
Total liabilities assumed	25,386	69,794	95,180
Net Assets			
Unrestricted	15,672	76,827	92,499
Temporarily restricted	752	18,286	19,038
Permanently restricted	5,990	10,620	16,610
Total net assets	22,414	105,733	128,147
Total liabilities and net assets	$ 47,800	$ 175,527	223,327

A summary of the financial results of MAHHC and Cheshire and their subsidiaries included in the consolidated statements of operations and changes in net assets for the period from the dates of acquisition, July 1, 2014 and March 2, 2015 through June 30, 2015 is as follows:

(in thousands)

	MAHHC	Cheshire	Total
Total operating revenues	$ 49,628	$ 53,824	$ 103,452
Total operating expenses	51,098	55,288	106,386
Operating loss	(1,470)	(1,464)	(2,934)
Nonoperating gains	117	452	569
Deficit of revenues over expenses	(1,353)	(1,012)	(2,365)
Net assets released from restriction used for capital purchases	679	1,010	1,689
Change in funded status of pension and other postretirement benefits	(790)	2,875	2,085
Change in fair value on interest rate swaps	159	-	159
Net assets transferred from affiliate	15,672	76,827	92,499
Increase in unrestricted net assets	$ 14,367	$ 79,700	$ 94,067

A summary of the consolidated financial results of the Health System for the years ended June 30, 2015 and 2014 as if the transactions had occurred on July 1, 2013 is as follows (unaudited):

(in thousands)	2015	2014
Total operating revenues	$ 1,658,250	$ 1,595,128
Total operating expenses	1,671,124	1,572,044
Operating (loss) gain	(12,874)	23,084
Nonoperating gains	81,277	90,522
Excess of revenues over expenses	68,403	113,606
Net assets released from restriction used for capital purchases	2,411	790
Change in funded status of pension and other post retirement benefits	(65,128)	20,017
Change in fair value on interest rate swaps	(931)	1,538
Increase in unrestricted net assets	$ 4,755	$ 135,951

4. Patient Service Revenue and Accounts Receivable

Patient service revenue is reported net of contractual allowances and the provision for bad debts as follows for the years ended June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Gross patient service revenue	$ 3,656,514	$ 3,235,142
Less: Contractual allowances	2,258,393	1,957,688
Less: Provision for bad debt	17,562	47,606
Net patient service revenue	$ 1,380,559	$ 1,229,848

Accounts receivable are reduced by an allowance for estimated uncollectibles. In evaluating the collectability of accounts receivable, the Health System analyzes past collection history and identifies trends for several categories of self-pay accounts (uninsured, residual balances, pre-collection accounts and charity) to estimate the appropriate allowance percentages in establishing the allowance for bad debt expense. Management performs collection rate look-back analyses on a quarterly basis to evaluate the sufficiency of the allowance for estimated uncollectibles. Throughout the year, after all reasonable collection efforts have been exhausted, the difference between the standard rates and the amounts actually collected, including contractual adjustments and uninsured discounts, will be written off against the allowance for estimated uncollectibles. In addition to the review of the categories of revenue, management monitors the write offs against established allowances as of a point in time to determine the appropriateness of the underlying assumptions used in estimating the allowance for estimated uncollectibles.

Accounts receivable, prior to adjustment for estimated uncollectibles, are summarized as follows at June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Receivables		
Patients	$ 123,881	$ 156,967
Third-party payors	171,141	150,258
Nonpatient	1,782	1,785
	$ 296,804	$ 309,010

The allowance for estimated uncollectibles is $92,532,000 and $124,404,000 as of June 30, 2015 and 2014.

The following table categorizes payors into five groups and their respective percentages of gross patient service revenue for the years ended June 30, 2015 and 2014:

	2015	2014
Medicare	40 %	39 %
Anthem/Blue Cross	21	20
Commercial insurance	20	21
Medicaid	15	13
Self-pay/Other	4	7
	100 %	100 %

The Health System has agreements with third-party payors that provide for payments at amounts different from their established rates. A summary of the acute care payment arrangements in effect during the years ended June 30, 2015 and 2014 with major third-party payors follows:

Medicare:
The Health System's inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge. These rates vary according to a patient classification system that is based on diagnostic, clinical and other factors. In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system. Under the system, outpatient services are reimbursed based on a pre-determined amount for each outpatient procedure, subject to various mandated modifications. The Health System is reimbursed during the year for services to Medicare beneficiaries based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subsequent audit of this report by the Medicare fiscal intermediary.

Certain of the Health System's affiliates qualify as Critical Access Hospitals (CAH), which are reimbursed by Medicare at 101% of reasonable costs for its inpatient acute, swing bed, and outpatient services, excluding ambulance services and inpatient hospice care. They are reimbursed at an interim rate for cost based services with a final settlement determined by the Medicare Cost Report filing. The nursing home is not impacted by CAH designation. Medicare reimburses nursing home care based on an acuity driven prospective payment system with no retrospective settlement.

Medicaid:
The Health System's payments for inpatient services rendered to NH Medicaid beneficiaries are based on a prospective payment system, while outpatient services are reimbursed on a retrospective cost basis or fee schedules. NH Medicaid Outpatient Direct Medical Education costs are reimbursed, as a pass-through, based on the filing of the Medicare cost report. Payment for inpatient and outpatient services rendered to VT Medicaid beneficiaries are based on prospective payment systems and the skilled nursing facility is reimbursed on a prospectively determined per diem rate.

During the years ended June 30, 2015 and 2014, the Health System recorded State of NH Medicaid Enhancement Tax (MET) expense of $51,996,000 and $34,488,000, respectively. The tax is calculated at 5.5% of certain gross patient revenues in accordance with instructions received from the State of NH. The MET expense is included in operating expenses in the consolidated statements of operations and changes in net assets.

On June 30, 2014, the NH Governor signed into law a bi-partisan legislation reflecting an agreement between the State of NH and 25 NH hospitals on the Medicaid Enhancement Tax "SB 369". As part of the agreement the parties have agreed to resolve all pending litigation related to MET and Medicaid Rates, including the Catholic Medical Center Litigation, the Northeast Rehabilitation Litigation, 2014 DRA Refund Requests, and the State Rate Litigation. As part of the Medicaid Enhancement Tax Agreement Effective July 1, 2014, a "Trust / Lock Box" dedicated fund mechanism will be established for receipt and distribution of all MET proceeds with all monies used exclusively to support Medicaid services. During the years ended June 30, 2015 and 2014, the Health System received disproportionate share hospital (DSH) payments of $10,152,016 and $12,631,782, respectively.

The Health Information Technology for Economic and Clinical Health (HITECH) Act included in the American Recovery and Reinvestment Act (ARRA) provides incentives for the adoption and use of health information technology by Medicare and Medicaid providers and eligible professionals over the next several years with an anticipated end date of December 31, 2016, depending on the program. The Health System has recognized $4,175,164 and $6,833,075 in meaningful use incentives for both the Medicare and Vermont Medicaid programs during the years ended June 30, 2015 and 2014, respectively.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties and exclusion from the Medicare and Medicaid programs.

Other:
For services provided to patients with commercial insurance the Health System receives payment for inpatient services at prospectively determined rates-per-discharge, prospectively determined per diem rates or a percentage of established charges. Outpatient services are reimbursed on a fee schedule or at a discount from established charges.

Nonacute and physician services are paid at various rates under different arrangements with governmental payors, commercial insurance carriers and health maintenance organizations. The basis for payments under these arrangements includes prospectively determined per visit rates, discounts from established charges, fee schedules, and reasonable cost subject to limitations.

The Health System has provided for its estimated final settlements with all payors based upon applicable contracts and reimbursement legislation and timing in effect for all open years (2007 -

2015). The differences between the amounts provided and the actual final settlement, if any, is recorded as an adjustment to net patient service revenue as amounts become known or as years are no longer subject to audits, reviews and investigations. During 2015 and 2014, changes in estimates related to the Health System's settlements with third-party payors resulted in increases in net patient service revenue of approximately $5,550,206 and $4,076,601, respectively, in the consolidated statements of operations and changes in net assets.

5. Investments

The composition of investments at June 30, 2015 and 2014 is set forth in the following table:

(in thousands of dollars)	2015	2014
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	$ 8,475	$ 7,463
U.S. government securities	36,634	36,930
Domestic corporate debt securities	80,254	83,224
Global debt securities	111,156	126,451
Domestic equities	106,350	111,970
International equities	69,965	54,778
Emerging markets equities	36,591	40,344
REIT	621	-
Private equity funds	26,843	25,146
Hedge funds	56,590	50,370
	533,479	536,676
Investments held by captive insurance companies (Note 12)		
U.S. government securities	27,730	45,897
Domestic corporate debt securities	32,017	22,005
Global debt securities	4,883	3,770
Domestic equities	7,669	7,286
International equities	12,869	13,058
	85,168	92,016
Held by trustee under indenture agreement (Note 10)		
Cash and short-term investments	1,778	493
Total assets limited as to use	$ 620,425	$ 629,185

(in thousands of dollars)	2015	2014
Other investments for restricted activities		
Cash and short-term investments	$ 5,448	$ 4,215
U.S. government securities	19,730	13,872
Domestic corporate debt securities	34,548	26,689
Global debt securities	18,947	19,034
Domestic equities	18,354	15,901
International equities	14,777	7,461
Emerging markets equities	5,077	5,162
REIT	533	-
Private equity funds	3,653	3,101
Hedge funds	10,921	6,212
Other	28	28
Total other investments for restricted activities	$ 132,016	$ 101,675

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

The following tables summarize the investments by the accounting method utilized, as of June 30, 2015 and 2014. Accounting standards require disclosure of additional information for those securities accounted for using the fair value method, as shown in Note 7.

	2015		
(in thousands of dollars)	**Fair Value**	**Equity**	**Total**
Cash and short-term investments	$ 15,700	$ -	$ 15,700
U.S. government securities	84,095	-	84,095
Domestic corporate debt securities	115,698	31,121	146,819
Global debt securities	54,193	80,792	134,985
Domestic equities	119,883	12,491	132,374
International equities	25,790	71,822	97,612
Emerging markets equities	95	41,571	41,666
REIT	-	1,154	1,154
Private equity funds	-	30,496	30,496
Hedge funds	-	67,512	67,512
Other	28	-	28
	$ 415,482	$ 336,959	$ 752,441

	2014		
(in thousands of dollars)	**Fair Value**	**Equity**	**Total**
Cash and short-term investments	$ 12,171	$ -	$ 12,171
U.S. government securities	96,699	-	96,699
Domestic corporate debt securities	101,467	30,451	131,918
Global debt securities	67,544	81,711	149,255
Domestic equities	123,620	11,537	135,157
International equities	13,763	61,534	75,297
Emerging markets equities	185	45,321	45,506
Private equity funds	-	28,247	28,247
Hedge funds	-	56,582	56,582
Other	28	-	28
	$ 415,477	$ 315,383	$ 730,860

Investment income (losses) is comprised of the following for the years ended June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Unrestricted		
Interest and dividend income, net	$ 7,927	$ 5,241
Net realized gains on sales of securities	12,432	15,464
Change in net unrealized gains on investments	(28,824)	38,685
	(8,465)	59,390
Temporarily restricted		
Interest and dividend income, net	1,151	294
Net realized gains on sales of securities	646	877
Change in net unrealized gains on investments	(1,619)	2,998
	178	4,169
	$ (8,287)	$ 63,559

For the years ended June 30, 2015 and 2014 unrestricted investment income (losses) is reflected in the accompanying consolidated statements of operations and changes in net assets as operating revenue of approximately $2,550,000 and $2,586,000 and as nonoperating (losses) gains of approximately ($11,015,000) and $56,804,000, respectively.

Private equity limited partnership shares are not eligible for redemption from the fund or general partner, but can be sold to third party buyers in private transactions that typically can be completed in approximately 90 days. It is the intent of the Health System to hold these investments until the fund has fully distributed all proceeds to the limited partners and the term of the partnership agreement expires. Under the terms of these agreements, the Health System has committed to contribute a specified level of capital over a defined period of time. Through June 30, 2015 and 2014, the Health System has committed to contribute approximately $105,782,000 and $101,285,000 to such funds, of which the Health System has contributed approximately $66,918,000 and $67,206,000 and has outstanding commitments of $38,864,000 and 34,079,000, respectively.

6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2015 and 2014:

(in thousands of dollars)

	2015	2014
Land	$ 29,558	$ 25,839
Land improvements	31,750	30,450
Buildings and improvements	714,689	619,243
Equipment	590,501	507,077
Equipment under capital leases	17,824	16,128
	1,384,322	1,198,737
Less: Accumulated depreciation and amortization	818,816	729,757
Total depreciable assets, net	565,506	468,980
Construction in progress	35,849	15,773
	$ 601,355	$ 484,753

As of June 30, 2015 and 2014 construction in progress primarily consists of the construction of the Williamson Research building in Lebnon, NH and the renovation for new inpatient and outpatient rehabilitation space at MAHHC. The estimated cost to complete these projects is $8,425,000 and $13,250,000 at June 30, 2015 and 14, respectively.

Depreciation and amortization expe included in operating and nonoperating activities was approximately $67,414,000 and $216,000 for 2015 and 2014, respectively.

7. Fair Value Measurements

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

*Cash and short-term investm*s: nsists of money market funds and are valued at NAV reported by the financial institution.

*Domestic, emerging marke*s *and national equities*: Consists of actively traded equity securities and mutual funds which e value he closing price reported on an active market on which the individual securities e traded (L measurements).

*U.S. governme*t *securities, dom*rporate *and global debt securities*: Consists of U.S. government securities, domestic te and global debt securities, mutual funds and pooled/commingled funds tha inv S. government securities, domestic corporate and global debt securities. Securities are val ed on quoted market prices or dealer quotes where available (Level 1 measurement). market prices are not available, fair values are based on quoted market prices of comparab lents or, if necessary, matrix pricing from a third party pricing vendor to determine fair va 2 measurements). Matrix prices are based on quoted prices for securities with similar co gs and maturities, rather than on specific bids and offers for a designated security. In n mutual funds are measured based on the quoted NAV as of the close of business in ve active market (Level 1 measurements).

Interest rate swaps: The fair value of interest rate swaps, are determined using the present value of the fixed and floating legs of the swaps. Each series of cash flows are discounted by observable market interest rate curves and credit risk.

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

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth the consolidated financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2015 and 2014:

	2015					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 15,700	$ -	$ -	$ 15,700	Daily	1
U.S. government securities	84,095	-	-	84,095	Daily	1
Domestic corporate debt securities	34,671	81,027	-	115,698	Daily–Monthly	1–15
Global debt securities	44,107	10,086	-	54,193	Daily–Monthly	1–15
Domestic equities	119,883	-	-	119,883	Daily–Monthly	1–10
International equities	25,790	-	-	25,790	Daily–Monthly	1–11
Emerging market equities	95	-	-	95	Daily–Monthly	1–7
Other	-	28	-	28	Not applicable	Not applicable
Total investments	324,341	91,141	-	415,482		
Deferred compensation plan assets						
Cash and short-term investments	2,988	-	-	2,988		
U.S. government securities	46	-	-	46		
Domestic corporate debt securities	5,765	-	-	5,765		
Global debt securities	748	-	-	748		
Domestic equities	21,861	-	-	21,861		
International equities	8,808	-	-	8,808		
Emerging market equities	2,232	-	-	2,232		
Real Estate	1,874	-	-	1,874		
Multi Strategy Fund	8,155	-	-	8,155		
Guaranteed Contract	-	-	78	78		
Total deferred compensation plan assets	52,477	-	78	52,555	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,345	9,345	Not applicable	Not applicable
Total assets	$ 376,818	$ 91,141	$ 9,423	$ 477,382		
Liabilities						
Interest rate swaps	$ -	$ 24,740	$ -	$ 24,740	Not applicable	Not applicable
Total liabilities	$ -	$ 24,740	$ -	$ 24,740		

	2014					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	11,144	$ 1,027	$ -	$ 12,171	Daily	1
U.S. government securities	96,699	-	-	96,699	Daily	1
Domestic corporate debt securities	33,201	68,266	-	101,467	Daily–Monthly	1–15
Global debt securities	57,911	9,633	-	67,544	Daily–Monthly	1–15
Domestic equities	123,620	-	-	123,620	Daily–Monthly	1–10
International equities	13,763	-	-	13,763	Daily–Monthly	1–11
Emerging market equities	185	-	-	185	Daily–Monthly	1–7
Other	-	28	-	28	Not applicable	Not applicable
Total investments	336,523	78,954	-	415,477		
Deferred compensation plan assets						
Cash and short-term investments	2,753	26	-	2,779		
U.S. government securities	80	-	-	80		
Domestic corporate debt securities	4,798	-	-	4,798		
Global debt securities	835	-	-	835		
Domestic equities	19,318	-	-	19,318		
International equities	8,735	-	-	8,735		
Emerging market equities	2,198	-	-	2,198		
Real Estate	1,665	-	-	1,665		
Multi Strategy Fund	6,079	-	-	6,079		
Guaranteed Contract	-	-	75	75		
Total deferred compensation plan assets	46,461	26	75	46,562	Not applicable	Not applicable
Beneficial interest in trusts	-	-	1,909	1,909	Not applicable	Not applicable
Contribution receivable from charitable Remainder trust	-	-	2,118	2,118	Not applicable	Not applicable
Total assets	$ 382,984	$ 78,980	$ 4,102	$ 466,066		
Liabilities						
Interest rate swaps	$ -	$ 24,413	$ -	$ 24,413	Not applicable	Not applicable
Total liabilities	$ -	$ 24,413	$ -	$ 24,413		

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

	2015			
	Beneficial Interest in Perpetual Trust	Contribution Receivable From Charitable Remainder Trust	Guaranteed Contract	Total
Balance at beginning of year	$ 1,909	$ 2,118	$ 75	$ 4,102
Purchases	-	-	3	3
Sales	-	(2,118)	-	(2,118)
Net unrealized gains (losses)	(198)	-	-	(198)
Net asset transfer from affiliate	7,634	-	-	7,634
Balance at end of year	$ 9,345	$ -	$ 78	$ 9,423

	2014			
	Beneficial Interest in Perpetual Trust	Contribution Receivable From Charitable Remainder Trust	Guaranteed Contract	Total
Balance at beginning of year	$ 1,823	$ -	$ 72	$ 1,895
Purchases	-	2,118	-	2,118
Net unrealized gains (losses)	86	-	3	89
Balance at end of year	$ 1,909	$ 2,118	$ 75	$ 4,102

There were no transfers into and out of Level 1 and Level 2 measurements due to changes in valuation methodologies during the years ended June 30, 2015 and 2014.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Healthcare services	$ 30,368	$ 28,210
Research	16,376	22,699
Purchase of equipment	2,483	2,681
Charity care	16,354	1,511
Health education	9,181	7,688
Other	1,695	1,875
	$ 76,457	$ 64,664

Permanently restricted net assets consist of the following at June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Healthcare services	$ 25,015	$ 15,935
Research	7,689	7,634
Purchase of equipment	6,291	4,675
Charity care	5,609	2,874
Health education	8,454	5,129
Other	23	22
	$ 53,081	$ 36,269

Income earned on permanently restricted net assets is available for these purposes.

9. Board Designated and Endowment Funds

Net assets include approximately 60 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

Unrestricted net assets include funds designated by the Board of Trustees to function as endowments and the income from certain donor-restricted endowment funds, and any accumulated investment return thereon, which pursuant to donor intent may be expended based on trustee or management designation. Temporarily restricted net assets include funds appropriated for expenditure pursuant to endowment and investment spending policies, certain expendable endowment gifts from donors, and any retained income and appreciation on donor-restricted endowment funds, which are restricted by the donor to a specific purpose or by law. When the temporary restrictions on these funds have been met, the funds are reclassified to unrestricted net assets.

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

The Health System has endowment investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowment while ensuring that the purchasing power does not decline over time. The Health System targets a diversified asset

allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, and hedge fund strategies to achieve its long-term return objectives within prudent risk constraints. The Health System's Investment Committee reviews the policy portfolio asset allocations, exposures, and risk profile on an ongoing basis.

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

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. Such market losses were not material as of June 30, 2015 and 2014.

Endowment net asset composition by type of fund consists of the following at June 30, 2015 and 2014:

	2015			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 28,296	$ 44,491	$ 72,787
Board-designated endowment funds	26,405	-	-	26,405
Total endowed net assets	$ 26,405	$ 28,296	$ 44,491	$ 99,192

	2014			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 13,738	$ 34,360	$ 48,098
Board-designated endowment funds	19,834	-		19,834
Total endowed net assets	$ 19,834	$ 13,738	$ 34,360	$ 67,932

Changes in endowment net assets for the years ended June 30, 2015 and 2014:

	2015			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at beginning of year	$ 19,834	$ 13,738	$ 34,360	$ 67,932
Net investment return	143	(223)	1	(79)
Contributions	-	974	254	1,228
Transfers	-	(370)	158	(212)
Release of appropriated funds	(664)	(2,425)	(46)	(3,135)
Net asset transfer from affiliates	7,092	16,602	9,764	33,458
Balances at end of year	$ 26,405	$ 28,296	44,491	$ 99,192
Balances at end of year			44,491	
Beneficial interest in perpetual trust			8,590	
Permanently restricted net assets			$ 53,081	

	2014			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at beginning of year	$ 19,304	$ 11,672	$ 31,255	$ 62,231
Net investment return	341	3,457	-	3,798
Contributions	-	42	809	851
Transfers	450	(280)	243	413
Release of appropriated funds	(261)	(1,539)	-	(1,800)
Net asset transfer from affiliates	-	386	2,053	2,439
Balances at end of year	$ 19,834	$ 13,738	34,360	$ 67,932
Balances at end of year			34,360	
Beneficial interest in perpetual trust			1,909	
Permanently restricted net assets			$ 36,269	

10. Long-Term Debt

A summary of long-term debt at June 30, 2015 and 2014 follows:

(in thousands of dollars)	2015	2014
Variable rate issues		
New Hampshire Health and Education Facilities Authority Revenue Bonds		
Series 2013, principal maturing in varying annual amounts, through August 2043 (9)*	$ 17,668	$ 17,923
Series 2011, principal maturing in varying annual amounts, through August 2031 (4)	90,005	93,395
Vermont Educational and Health Buildings Financing Agency (VEHFBA) Revenue Bonds		
Series 2010A, principal maturing in varying annual amounts, through August 2030 (8)*	8,182	-
Fixed rate issues		
New Hampshire Health and Education Facilities Authority Revenue Bonds		
Series 2014A, principal maturing in varying annual amounts, through August 2022 (1)	26,960	-
Series 2014B, principal maturing in varying annual amounts, through August 2033 (1)	14,530	-
Series 2012A, principal maturing in varying annual amounts, through August 2031 (2)	73,725	74,695
Series 2012B, principal maturing in varying annual amounts, through August 2031 (2)	40,455	40,990
Series 2012, principal maturing in varying annual amounts, through July 2039 (7)*	28,818	-
Series 2010, principal maturing in varying annual amounts, through August 2040 (5)	75,000	75,000
Series 2009, principal maturing in varying annual amounts, through August 2038 (6)	68,970	115,225
** Represents non-obligated group bonds*		
Other		
Series 2012, principal maturing in varying annual amounts, through July 2019 (3)	144,000	146,000
Obligations under capital leases	3,369	2,086
Note payable to a financial institution payable in interest free monthly installments through July 2015; collateralized by associated equipment	4	56
Note payable to a financial institution due in monthly interest only payments from October 2011 through September 2012, and monthly installments from October 2016 through 2016, including principal and interest at 3.25%; collateralized by savings account	1,915	-
Note payable to a financial institution payable in interest free entire principal due June 2029 collateralized by land and building	555	-
	594,156	565,370
Less		
Original issue discount, net	1,493	1,386
Current portion	17,179	13,281
	$ 575,484	$ 550,703

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

(in thousands of dollars)	2015
2016	$ 17,179
2017	17,493
2018	17,971
2019	18,280
2020	143,235
Thereafter	379,998
	$ 594,156

Dartmouth-Hitchcock Obligated Group (DHOG) Bonds:

MHMH established the DHOG in 1993 for the original purpose of issuing bonds financed through NHHEFA or the "Authority". The members of the obligated group consist of MHMH and DHC.

Revenue Bonds issued by members of the DHOG are administered through notes registered in the name of the Bond Trustee and in accordance with the terms of a Master Trust Indenture. The Master Trust Indenture contains provisions permitting the addition, withdrawal, or consolidation of members of the DHOG under certain conditions. The notes constitute a joint and several obligation of the members of the DHOG (and any other future members of the DHOG) and are equally and ratably collateralized by a pledge of the members' gross receipts. The DHOG is also subject to certain annual covenants under the Master Trust Indenture, the most restrictive of which are the Maximum Annual Debt Service Coverage Ratio (1.10x) and the Days Cash on Hand Ratio (> 75 days).

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

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

(2) Series 2012A and 2012B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2012A and Series 2012B in November 2012. The proceeds from the Series 2012A and 2012B were used to advance refund the Series 2002 Revenue Bonds and to cover cost of issuance. Interest on the 2012A Revenue Bonds is fixed with an interest rate of 2.29% and matures at various dates through 2031. Interest on the Series 2012B Revenue Bonds is fixed with an interest rate of 2.33% and matures at various dates through 2031.

(3) Series 2012 Bank Loan

Through the DHOG, issued the Bank of America, N.A. Series 2012 note, in July 2012. The proceeds from the Series 2012 note were used to prefund the D-H defined benefit pension plan. Interest on the Series 2012 note accrues at a fixed rate of 2.47% and matures at various dates through 2019.

(4) Series 2011 Revenue Bonds
Through the DHOG, issued NHHEFA Revenue Bonds, Series 2011 in August 2011. The proceeds from the Series 2011 Revenue Bonds were primarily used to advance refund the Series 2001A Revenue Bonds. The Series 2011 Revenue Bonds accrue interest variably and mature at various dates through 2031 based on the one-month London Interbank Offered Rate (LIBOR). The variable rate as of June 30, 2015 and 2014 was 1.04% and 1.01%, respectively. The Series 2011 Bonds are callable by the bank upon the end of seven years or may be renegotiated at that time.

(5) Series 2010 Revenue Bonds
Through the DHOG, issued NHHEFA Revenue Bonds, Series 2010, in June 2010. The proceeds from the Series 2010 Revenue Bonds were primarily used to construct a 140,000 square foot ambulatory care facility in Nashua, NH as well as various equipment. Interest on the bonds accrue at a fixed rate of 5.00% and mature at various dates through August 2040.

(6) Series 2009 Revenue Bonds
Through the DHOG, issued NHHEFA Revenue Bonds, Series 2009, in August 2009. The proceeds from the Series 2009 Revenue Bonds were primarily used to advance refund the Series 2008 Revenue Bonds. Interest on the Series 2009 Revenue Bonds accrue at varying fixed rates between 3.00% and 6.00% and mature at various dates through August 2038.

Outstanding joint and several indebtedness of the DHOG at June 30, 2015 and 2014 approximates $533,645,000 and $545,305,000, respectively.

Non Obligated Group Bonds:

(7) Series 2012 Revenue Bonds

Issued through the NHHEFA $29,650,000 of tax-exempt Revenue Bonds (Series 2012). The proceeds of these bonds were used to refund 1998 and 2009 Series Bonds, to finance the settlement cost of the interest rate swap, and to finance the purchase of certain equipment and renovations. The bonds are collateralized by an interest in its gross receipts under the terms of the bond agreement. The bonds have fixed interest coupon rates ranging from 2.0% to 5.0% (a net interest cost of 3.96%). Principal is payable in annual installments ranging from $735,000 to $1,750,000 through July 2039.

(8) Series 2010A Revenue Bonds

Issued through the VEHBFA $9,244,000 of Revenue Bonds (Series 2010A). The funds were used to refund 2004 and 2005 Series A Bonds. The bonds are collateralized by gross receipts. The bonds shall bear interest at the one-month LIBOR rate plus 3.50%, multiplied by 6% adjusting monthly. The interest rate at June 30, 2015 was 2.29%. The bonds were purchased by TD Bank. Principal payments began on April 1, 2010 for a period of 20 years ranging in amounts from $228,000 in 2014 to $207,000 in 2030.

(9) Series 2013 Revenue Bonds

Issued through the NHHEFA $15,520,000 tax exempt Revenue Bonds (Series 2013). The funds were used to refund Series 2007 Revenue Bonds, and for the construction of a new health center building in Newport, NH. The bonds are collateralized by the gross receipts and property. The bonds mature in variable amounts through 2043, the maturity date of the bonds, but are subject to mandatory tender in ten years. Interest is payable monthly and is equal to the sum of .72 times

the Adjusted LIBOR Rate plus .72 times the credit spread rate. As part of the bond refinancing, the swap arrangement was effectively terminated for federal tax purposes with respect to the Series 2007 Revenue Bonds but remains in effect.

The estimated fair value of the Health Systems total long-term debt as of June 30, 2015 and 2014 was approximately $606,772,000 and $555,500,000, respectively, which was determined by discounting the future cash flows of each instrument at rates that reflect rates currently observed in publicly traded debt markets for debt of similar terms to organizations with comparable credit risk. The inputs to the assumptions used to determine the estimated fair value are based on observable inputs and are classified as level 2. For variable rate debt, the carrying value is equal to the fair value.

The Health System Indenture agreements require establishment and maintenance of debt service reserves and other trustee held funds. Trustee held funds of approximately $1,778,000 and $493,000 at June 30, 2015 and 2014, respectively, are classified as assets limited as to use in the accompanying consolidated balance sheets.

For the years ended June 30, 2015 and 2014 interest expense on the Health System's long term debt is reflected in the accompanying consolidated statements of operations and changes in net assets as operating expense of approximately $18,442,000 and $18,436,000 and is included in other nonoperating losses of $3,449,000 and $3,669,000, respectively.

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

A summary of the Health System's derivative financial instruments is as follows:

- A Fixed Payor Swap, designed as a cash flow hedge of the NHHEFA Series 2011 Revenue Bonds. The Swap had an initial notional amount of $91,040,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 4.56% in exchange for the counterparty's payment of 67% of USD-LIBOR-BBA. The Swap's term matches that of the associated bonds.

- An Interest Rate Swap to hedge the interest rate risk associated with the NHHEFA Series 2013 Revenue Bonds. The Swap had an initial notional amount of $15,000,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 3.94% in exchange for the counterparty's payment at 67% of USD-LIBOR-BBA. The Swap term matches that of the associated bonds.

- An Interest Rate Swap to hedge the interest rate risk associated with the VEHFBA Series 2010A Revenue Bonds. The Swap had an initial notional amount of $7,244,000.The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 2.41% in exchange for the counterparty's payment of 69% of USD-LIBOR-BBA. The Swap is outstanding until 2017, while the bonds will remain outstanding until 2030.

The obligation of the Health System to make payments on its bonds with respect to interest is in no way conditional upon the Health System's receipt of payments from the interest rate swap agreement counterparty.

At June 30, 2015 and 2014 the fair value of the Health System's interest rate swaps was a liability of $24,740,000 and $24,413,000, respectively. The change in fair value during the years ended June 30, 2015 and 2014 was a (decrease)/increase of ($931,000) and $1,538,000, respectively. For the years ended June 30, 2015 and 2014 the Health System recognized a non-operating gain/ (loss) of $1,035,000 and ($570,000) resulting from hedge ineffectiveness and amortization of frozen swaps.

11. Employee Benefits

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

All of the defined benefit plans within the Health System have been frozen or have been approved by the applicable Board of Trustees to be frozen by December 31, 2017. Effective with that date, the last of the participants earning benefits in any of the Health System's defined benefit plans will no longer earn benefits under the plans.

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

Defined Benefit Plans
Net periodic pension expense included in employee benefits in the consolidated statements of operations and changes in net assets is comprised of the components listed below for the years ended June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Service cost for benefits earned during the year	$ 12,257	$ 12,122
Interest cost on projected benefit obligation	42,276	41,821
Expected return on plan assets	(60,458)	(55,177)
Net prior service cost	380	380
Net loss amortization	21,133	17,285
Curtailment	56	-
	$ 15,644	$ 16,431

The following assumptions were used to determine net periodic pension expense as of June 30, 2015 and 2014:

	2015	2014
Weighted average discount rate	4.40 % - 4.90 %	5.50 %
Rate of increase in compensation	Age Graded/0.00 % - 2.50 %	Age Graded
Expected long-term rate of return on plan assets	7.50 % - 7.75 %	7.75 %

The following table sets forth the funded status and amounts recognized in the Health System's consolidated financial statements for the defined benefit pension plans at June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Change in benefit obligation		
Benefit obligation at beginning of year	$ 877,082	$ 812,374
Additional benefit obligation resulting from new affiliations	95,314	-
Total benefit obligation at beginning of year	972,396	812,374
Service cost	12,257	12,122
Interest cost	42,276	41,821
Benefits paid	(34,803)	(31,467)
Expenses paid	(139)	-
Actuarial (gain) loss	41,135	94,207
Settlements	(44,979)	(51,975)
Benefit obligation at end of year	988,143	877,082
Change in plan assets		
Fair value of plan assets at beginning of year	783,890	718,064
Additional plan assets at fair value resulting from new affiliations	77,608	-
Total fair value of plan assets at beginning of year	861,498	718,064
Actual return on plan assets	25,473	112,218
Benefits paid	(34,803)	(31,467)
Expenses paid	(139)	-
Employer contributions	38,002	37,050
Settlements	(44,979)	(51,975)
Fair value of plan assets at end of year	845,052	783,890
Funded status of the plans	(143,091)	(93,192)
Current portion of liability for pension	(2,758)	(46)
Long term portion of liability for pension	(140,333)	(93,146)
Liability for pension	$ (143,091)	$ (93,192)

For the years ended June 30, 2015 and 2014 the liability for pension is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic pension expense and included in the change in unrestricted net assets as of June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Net actuarial loss	$ 368,959	$ 311,084
Prior service cost	608	989
	$ 369,567	$ 312,073

The estimated amounts that will be amortized from unrestricted net assets into net periodic pension expense in 2016 are as follows:

(in thousands of dollars)	
Unrecognized prior service cost	$ 380
Net actuarial loss	26,098
	$ 26,478

The accumulated benefit obligation for the defined benefit pension plans was approximately $971,193,000 and $856,673,000 at June 30, 2015 and 2014, respectively.

The following table sets forth the assumptions used to determine the benefit obligation at June 30, 2015 and 2014:

	2015	2014
Weighted average discount rate	4.90 % - 5.00 %	4.90 %
Rate of increase in compensation	Age Graded/0.00 % - 2.50 %	Age Graded
Expected long-term rate of return on plan assets	7.50 % - 7.75 %	7.75 %

The primary investment objective for the Plan's assets is to support the Pension liabilities of the Pension Plans for Employees of the Health System, by providing long-term capital appreciation and by also using a Liability Driven Investing ("LDI") strategy to partially hedge the impact fluctuating interest rates have on the value of the Plan's liabilities. As of June 30, 2015 and 2014, it is expected that the LDI strategy will hedge approximately 65% and 70%, respectively, of the interest rate risk associated with pension liabilities. To achieve the appreciation and hedging objectives, the Plans utilize a diversified structure of asset classes designed to achieve stated performance objectives measured on a total return basis, which includes income plus realized and unrealized gains and losses.

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

	Range of Target Allocations	Target Allocations
Cash and short-term investments	0–5 %	2 %
U.S. government securities	0–5	1
Domestic debt securities	20–58	42
Global debt securities	6–26	10
Domestic equities	5–35	18
International equities	5–15	10
Emerging market equities	3–13	5
REIT Funds	0–5	-
Private equity funds	0–5	-
Hedge funds	5–18	12

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

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

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

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

The following table sets forth the Health System's Plans' investments and deferred compensation plan assets that were accounted for at fair value as of June 30, 2015 and 2014:

	2015					
(in thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Redemption or Liquidation**	**Days' Notice**
Investments						
Cash and short-term investments	$ 8,235	$ 32,876	$ -	$ 41,111	Daily	1
U.S. government securities	4,193	-	-	4,193	Daily–Monthly	1–15
Domestic debt securities	85,948	246,352	-	332,300	Daily–Monthly	1–15
Global debt securities	36,532	45,119	-	81,651	Daily–Monthly	1–15
Domestic equities	152,458	16,532	-	168,990	Daily–Monthly	1–10
International equities	15,284	79,659	-	94,943	Daily–Monthly	1–11
Emerging market equities	376	38,237	-	38,613	Daily–Monthly	1–17
REIT Funds	-	1,628	-	1,628	Daily–Monthly	1–17
Private equity funds	-	-	437	437	See Note 7	See Note 7
Hedge funds	-	39,110	42,076	81,186	Quarterly–Annual	60–96
Total investments	$ 303,026	$ 499,513	$ 42,513	$ 845,052		

	2014					
(in thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Redemption or Liquidation**	**Days' Notice**
Investments						
Cash and short-term investments	$ 7,205	$ 51,347	$ -	$ 58,552	Daily	1
Domestic debt securities	74,388	241,679	-	316,067	Daily–Monthly	1–15
Global debt securities	39,591	46,151	-	85,742	Daily–Monthly	1–15
Domestic equities	131,761	10,390	-	142,151	Daily–Monthly	1–10
International equities	-	77,262	-	77,262	Daily–Monthly	1–11
Emerging market equities	-	41,537	-	41,537	Daily–Monthly	1–17
Private equity funds	-	-	3,944	3,944	See Note 7	See Note 7
Hedge funds	-	30,169	28,466	58,635	Quarterly–Annual	60–96
Total investments	$ 252,945	$ 498,535	$ 32,410	$ 783,890		

The following table presents additional information about the changes in Level 3 assets measured at fair value for the years ended June 30, 2015 and 2014:

	2015		
(in thousands of dollars)	**Hedge Funds**	**Private Equity Funds**	**Total**
Balances at beginning of year	$ 28,466	$ 3,944	$ 32,410
Additions resulting from new affiliations	14,362	-	14,362
Sales	(2,391)	(3,168)	(5,559)
Net realized (losses) gains	(246)	258	12
Net unrealized gains	1,885	(597)	1,288
Balances at end of year	$ 42,076	$ 437	$ 42,513

(in thousands of dollars)	2014 Hedge Funds	2014 Private Equity Funds	2014 Total
Balances at beginning of year	$ 26,449	$ 12,761	$ 39,210
Purchases	-	6	6
Sales	(709)	(9,220)	(9,929)
Net realized (losses) gains	(59)	1,470	1,411
Net unrealized gains	2,785	(1,073)	1,712
Balances at end of year	$ 28,466	$ 3,944	$ 32,410

The total aggregate net unrealized gains (losses) included in the fair value of the Level 3 investments as of June 30, 2015 and 2014 were approximately $5,234,000 and $7,187,000, respectively. There were no transfers into and out of Level 3 measurements during the years ended June 30, 2015 and 2014.

There were no transfers into and out of Level 1 and Level 2 measurements due to changes in valuation methodologies during the years ended June 30, 2015 and 2014.

The weighted average asset allocation for the Health System's Plans at June 30, 2015 and 2014 by asset category is as follows:

	2015	2014
Cash and short-term investments	5 %	7 %
Domestic debt securities	39	40
Global debt securities	10	11
Domestic equities	20	18
International equities	11	10
Emerging market equities	5	5
Private equity funds	-	1
Hedge funds	10	8
	100 %	100 %

The expected long-term rate of return on plan assets is reviewed annually, taking into consideration the asset allocation, historical returns on the types of assets held, and the current economic environment. Based on these factors, it is expected that the pension assets will earn an average of 7.75% per annum.

The Health System is expected to contribute approximately $37,000,000 to the Plans in 2016.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the year ending June 30, 2016 and thereafter:

(in thousands of dollars)	**Pension Plans**
2016	$ 37,716
2017	40,158
2018	43,006
2019	46,233
2020	49,955
2021-2025	299,954

Defined Contribution Plans

The Health System has an employer-sponsored 401(a) plan for certain of its affiliates, under which the employer makes base, transition and discretionary match contributions based on specified percentages of compensation and employee deferral amounts. Total employer contributions to the plan of $30,204,000 and $33,068,000 in 2015 and 2014, respectively, are included in employee benefits in the accompanying consolidated statements of operations and changes in net assets.

The Health System also has available to employees of certain affiliates various 403(b) and tax-sheltered annuity plans in which they can participate. Plan specifications vary by affiliate and plan. No employer contributions were made to any of these plans in 2015 and 2014, respectively.

Postretirement Medical and Life Benefits

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

Net periodic postretirement medical and life benefit cost is comprised of the components listed below for the years ended June 30, 2015 and 2014:

(in thousands of dollars)	**2015**	**2014**
Service cost	$ 527	$ 1,803
Interest cost	2,347	4,411
Amortization of net transition asset	-	7
	$ 2,874	$ 6,221

The following table sets forth the accumulated postretirement medical and life benefit obligation and amounts recognized in the Health System's consolidated financial statements at June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Change in benefit obligation		
Benefit obligation at beginning of year	$ 51,006	$ 84,538
Additional benefit obligation resulting from new affiliations	471	-
	51,477	84,538
Service cost	527	1,803
Interest cost	2,347	4,411
Benefits paid	(5,236)	(5,770)
Actuarial loss	1,323	5,450
Plan amendments	-	(39,426)
Benefit obligation at end of year	50,438	51,006
Funded status of the plans	(50,438)	(51,006)
Current portion of liabiality for postretirement medical and life benefits	(3,203)	(5,096)
Long term portion of liability for postretirement medical and life benefits	(47,235)	(45,910)
Liability for postretirement medical and life benefits	$ (50,438)	$ (51,006)

The plan amendments are primarily related to the Board's decision to offer retiree health care benefits to certain affiliates post-65 retirees and covered post-65 dependents through a private Medicare exchange beginning in April 2015.

For the years ended June 30, 2015 and 2014 the liability for postretirement medical and life benefits is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic postretirement medical and life benefit cost and included in the change in unrestricted net assets are as follows:

(in thousands of dollars)	2015	2014
Net prior service (credit) cost	$ (33,452)	$ (39,426)
Net actuarial loss (gain)	10,260	9,559
	$ (23,192)	$ (29,867)

The estimated amounts that will be amortized from unrestricted net assets into net periodic postretirement expense in 2015 and 2014 are as follows:

(in thousands of dollars)	2015	2014
Net prior service (credit) cost	$ (5,974)	$ (5,974)
Net loss (gain)	610	513
	$ (5,364)	$ (5,461)

In determining the accumulated postretirement medical and life benefit obligation, the Health System used a discount rate of 4.7% in 2015 and an assumed healthcare cost trend rate of 7.25%, trending down to 4.75% in 2020 and thereafter. Increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement medical benefit obligation as of June 30, 2015 and 2014 by $4,479,000 and $4,411,000 and the net periodic postretirement medical benefit cost for the years then ended by $275,000 and $576,000, respectively. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated postretirement medical benefit obligation as of June 30, 2015 and 2014 by $3,790,000 and $3,759,000 and the net periodic postretirement medical benefit cost for the years then ended by $233,000 and $649,000, respectively.

12. Professional and General Liability Insurance Coverage

D-H, along with Dartmouth College and The Cheshire Medical Center are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a Vermont captive insurance company. RRG reinsures the majority of this risk to Hamden Assurance Company Limited (HAC), a captive insurance company domiciled in Bermuda and to a variety of commercial reinsurers. D-H and Dartmouth College have ownership interests in both HAC and RRG. The insurance program provides coverage to the covered institutions and named insureds on a modified claims-made basis which means coverage is triggered when claims are made. Premiums and related insurance deposits are actuarially determined based on asserted liability claims adjusted for future development. The reserves for outstanding losses are recorded on an undiscounted basis.

NLH and MAHHC are covered for malpractice claims under a modified claims-made policy purchased through NEAH. While NLH and MAHHC remain in the current insurance program under this policy, the coverage year is based on the date the claim is filed, subject to a medical incident arising after the retroactive date (includes prior acts). The policy provides modified claims-made coverage for former insured providers for claims that relate to the employee's period of employment at NLH or MAHHC and for services that were provided within the scope of the employee's duties. Therefore, when the employee leaves the corporation, tail coverage is not required.

Selected financial data of HAC and RRG, taken from the latest available audited and unaudited financial statements, respectively at June 30, 2015 and 2014 are summarized as follows:

	2015		
	HAC	RRG	Total
(in thousands of dollars)	*(audited)*	*(unaudited)*	
Assets	$ 100,418	$ 2,289	$ 102,707
Shareholders' equity	13,620	755	14,375
Net income	-	186	186

	2014		
	HAC	RRG	Total
(in thousands of dollars)	*(audited)*	*(audited)*	
Assets	$ 104,644	$ 1,880	$ 106,524
Shareholders' equity	13,620	569	14,189
Net income	-	26	26

13. Commitments and Contingencies

Litigation

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

Operating Leases and Other Commitments

The Health System leases certain facilities and equipment under operating leases with varying expiration dates. The Health System's rental expense totaled approximately $10,215,000 and $9,925,000 for the years ended June 30, 2015 and 2014, respectively. Minimum future lease payments under non-cancelable operating leases at June 30, 2015 were as follows:

(in thousands of dollars)	
2016	$ 8,272
2017	5,774
2018	3,971
2019	2,583
2020	939
Thereafter	722
	$ 22,261

Line of Credit
The Health System has entered into Loan Agreements with financial institutions establishing access to revolving loans ranging from $2,000,000 up to $60,000,000. Interest is variable and determined using LIBOR or the Wall Street Journal Prime Rate. The Loan Agreements are due to expire ranging from December 31, 2015 through May 31, 2016. The Health System has outstanding balances under the lines of credits in the amount of $1,200,000 and $0 at June 30, 2015 and 2014, respectively. Interest expense was approximately $193,000 and $185,000, respectively, and is included in the consolidated statements of operations and changes in net assets.

14. Functional Expenses

Operating expenses of the Health System by function are as follows for the years ended June 30, 2015 and 2014:

(in thousands of dollars)	2015	2014
Program services	$ 1,335,316	$ 1,192,696
Management and general	225,983	172,626
Fundraising	8,037	8,122
	$ 1,569,336	$ 1,373,444

15. Subsequent Events

The Health System has assessed the impact of subsequent events through November 27, 2015, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2015A in September 2015 through a private placement with a financial institution. The Series 2015A Revenue Bonds were primarily used to refinance a portion of the Series 2011 Revenue Bonds. The Series 2015A Revenue Bonds accrue interest variably and mature at various dates through 2032.

Consolidating Supplemental Information

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2015

(in thousands of dollars)	D-HH (parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	Eliminations	Health System Consolidated
Assets							
Current assets							
Cash and cash equivalents	$ 388	$ 9,279	$ 16,525	$ 7,612	$ 5,105	$ -	$ 38,909
Patient accounts receivable, net	-	177,287	14,053	7,388	5,544	-	204,272
Prepaid expenses and other current assets	11,574	102,954	7,921	3,632	2,616	(28,111)	100,586
Total current assets	11,962	289,520	38,499	18,632	13,265	(28,111)	343,767
Assets limited as to use	-	570,057	23,302	13,412	13,654	-	620,425
Other investments for restricted activities	-	113,117	18,899	-	-	-	132,016
Property, plant, and equipment, net	618	461,044	82,793	37,597	19,303	-	601,355
Other assets	4,263	66,837	10,130	5,451	3,903	(2,134)	88,450
Total assets	$ 16,843	$ 1,500,575	$ 173,623	$ 75,092	$ 50,125	$ (30,245)	$ 1,786,013
Liabilities and Net Assets							
Current liabilities							
Current portion of long-term debt	$ -	$ 15,196	$ 952	$ 661	$ 370	$ -	$ 17,179
Line of credit	-	-	-	-	1,200	-	1,200
Current portion of liability for pension and other postretirement plan benefits	-	3,249	2,712	-	-	-	5,961
Accounts payable and accrued expenses	15,708	104,697	20,024	3,843	4,059	(28,110)	120,221
Accrued compensation and related benefits	-	85,064	4,936	2,373	2,491	-	94,864
Estimated third-party settlements	-	26,961	-	6,755	2,883	-	36,599
Total current liabilities	15,708	235,167	28,624	13,632	11,003	(28,110)	276,024
Long-term debt, excluding current portion	-	518,799	28,083	18,020	10,582	-	575,484
Insurance deposits and related liabilities	-	62,356	-	-	-	-	62,356
Interest rate swaps	-	20,937	-	3,531	272	-	24,740
Liability for pension and other postretirement plan benefits, excluding current portion	-	175,948	5,662	-	5,958	-	187,568
Other liabilities	-	51,303	3,671	1,135	-	-	56,109
Total liabilities	15,708	1,064,510	66,040	36,318	27,815	(28,110)	1,182,281
Net assets							
Unrestricted	1,135	346,900	79,700	34,227	14,367	(2,135)	474,194
Temporarily restricted	-	56,751	17,330	326	2,050	-	76,457
Permanently restricted	-	32,414	10,553	4,221	5,893	-	53,081
Total net assets	1,135	436,065	107,583	38,774	22,310	(2,135)	603,732
Commitments and contingencies							
Total liabilities and net assets	$ 16,843	$ 1,500,575	$ 173,623	$ 75,092	$ 50,125	$ (30,245)	$ 1,786,013

Dartmouth-Hitchcock and Subsidiaries
Consolidating Balance Sheets
June 30, 2015

(in thousands of dollars)	D-H Obligated Group	THF	DHMC	Eliminations	D-H and Subsidiaries
Assets					
Current assets					
Cash and cash equivalents	$ 8,252	$ 182	$ 845	$ -	$ 9,279
Patient accounts receivable, net	177,287	-	-	-	177,287
Prepaid expenses and other current assets	102,425	338	438	(247)	102,954
Total current assets	287,964	520	1,283	(247)	289,520
Assets limited as to use	570,057	-	-	-	570,057
Other investments for restricted activities	89,176	23,941	-	-	113,117
Property, plant, and equipment, net	458,368	1	2,675	-	461,044
Other assets	66,675	3	159	-	66,837
Total assets	$ 1,472,240	$ 24,465	$ 4,117	$ (247)	$ 1,500,575
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	$ 15,196	$ -	$ -	$ -	$ 15,196
Current portion of liability for pension and other postretirement plan benefits	3,249	-	-	-	3,249
Accounts payable and accrued expenses	102,666	1,536	742	(247)	104,697
Accrued compensation and related benefits	85,064	-	-	-	85,064
Estimated third-party settlements	26,961	-	-	-	26,961
Total current liabilities	233,136	1,536	742	(247)	235,167
Long-term debt, excluding current portion	518,799	-	-	-	518,799
Insurance deposits and related liabilities	62,356	-	-	-	62,356
Interest rate swaps	20,937	-	-	-	20,937
Liability for pension and other postretirement plan benefits, excluding current portion	175,948	-	-	-	175,948
Other liabilities	51,303	-	-	-	51,303
Total liabilities	1,062,479	1,536	742	(247)	1,064,510
Net assets					
Unrestricted	329,168	14,517	3,215	-	346,900
Temporarily restricted	50,297	6,294	160	-	56,751
Permanently restricted	30,296	2,118	-	-	32,414
Total net assets	409,761	22,929	3,375	-	436,065
Commitments and contingencies					
Total liabilities and net assets	$ 1,472,240	$ 24,465	$ 4,117	$ (247)	$ 1,500,575

rtmouth-Hitchcock Health and Subsidiaries
nsolidating Balance Sheets
ne 30, 2014

(in thousands of dollars)	D-HH (parent)	D-H and Subsidiaries	NLH and Subsidiaries	Eliminations	Health System Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 377	$ 46,371	$ 4,179	$ -	$ 50,927
Patient accounts receivable, net	-	178,066	6,540	-	184,606
Prepaid expenses and other current assets	4,503	92,807	2,907	(8,915)	91,302
Total current assets	4,880	317,244	13,626	(8,915)	326,835
Assets limited as to use	-	618,393	10,792	-	629,185
Other investments for restricted activities	-	101,675	-	-	101,675
Property, plant, and equipment, net	534	445,118	39,101	-	484,753
Other assets	3,213	62,960	7,870	(1,535)	72,508
Total assets	$ 8,627	$ 1,545,390	$ 71,389	$ (10,450)	$ 1,614,956
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	$ -	$ 12,487	$ 794	$ -	$ 13,281
Current portion of liability for pension and other postretirement plan benefits	-	5,142	-	-	5,142
Accounts payable and accrued expenses	9,623	89,408	2,907	(8,915)	93,023
Accrued compensation and related benefits	-	76,407	2,168	-	78,575
Estimated third-party settlements	-	25,103	5,574	-	30,677
Total current liabilities	9,623	208,547	11,443	(8,915)	220,698
Long-term debt, excluding current portion	-	532,336	18,367	-	550,703
Insurance deposits and related liabilities	-	68,498	-	-	68,498
Interest rate swaps	-	21,103	3,310	-	24,413
Liability for pension and other postretirement plan benefits, excluding current portion	-	139,056	-	-	139,056
Other liabilities	-	46,568	1,412	-	47,980
Total liabilities	9,623	1,016,108	34,532	(8,915)	1,051,348
Net assets	(996)	432,909	32,297	(1,535)	462,675
Unrestricted	-	64,346	318	-	64,664
Temporarily restricted	-	32,027	4,242	-	36,269
Permanently restricted	(996)	529,282	36,857	(1,535)	563,608
Total net assets					
Commitments and contingencies					
Total liabilities and net assets	$ 8,627	$ 1,545,390	$ 71,389	$ (10,450)	$ 1,614,956

Dartmouth-Hitchcock and Subsidiaries
Consolidating Balance Sheets
June 30, 2014

(in thousands of dollars)	D-H Obligated Group	THF	DHMC	Eliminations	D-H and Subsidiaries
Assets					
Current assets					
Cash and cash equivalents	$ 45,438	$ 213	$ 720	$ -	$ 46,371
Patient accounts receivable, net	178,066	-	-	-	178,066
Prepaid expenses and other current assets	92,372	171	496	(232)	92,807
Total current assets	315,876	384	1,216	(232)	317,244
Assets limited as to use	618,393	-	-	-	618,393
Other investments for restricted activities	77,622	24,053	-	-	101,675
Property, plant, and equipment, net	442,441	2	2,675	-	445,118
Other assets	62,791	10	159	-	62,960
Total assets	$ 1,517,123	$ 24,449	$ 4,050	$ (232)	$ 1,545,390
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	$ 12,487	$ -	$ -	$ -	$ 12,487
Current portion of liability for pension and other postretirement plan benefits	5,142	-	-	-	5,142
Accounts payable and accrued expenses	87,663	1,304	673	(232)	89,408
Accrued compensation and related benefits	76,407	-	-	-	76,407
Estimated third-party settlements	25,103	-	-	-	25,103
Total current liabilities	206,802	1,304	673	(232)	208,547
Long-term debt, excluding current portion	532,336	-	-	-	532,336
Insurance deposits and related liabilities	68,498	-	-	-	68,498
Interest rate swaps	21,103	-	-	-	21,103
Liability for pension and other postretirement plan benefits, excluding current portion	139,056	-	-	-	139,056
Other liabilities	46,568	-	-	-	46,568
Total liabilities	1,014,363	1,304	673	(232)	1,016,108
Net assets					
Unrestricted	415,333	14,358	3,218	-	432,909
Temporarily restricted	57,518	6,669	159	-	64,346
Permanently restricted	29,909	2,118	-	-	32,027
Total net assets	502,760	23,145	3,377	-	529,282
Commitments and contingencies					
Total liabilities and net assets	$ 1,517,123	$ 24,449	$ 4,050	$ (232)	$ 1,545,390

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2015

(in thousands of dollars)	D-HH (parent)	D-H and Subsidiaries	NLH and Subsidiaries	Cheshire and Subsidiaries	MAHHC and Subsidiaries	Eliminations	Health System Consolidated
Unrestricted revenue and other support							
Net patient service revenue	$ -	$ 1,225,872	$ 56,356	$ 52,536	$ 46,102	$ (307)	$ 1,380,559
Contracted revenue	-	82,091	-	-	-	(1,256)	80,835
Other operating revenue	12,203	69,663	3,063	1,076	3,526	(6,538)	82,993
Net assets released from restrictions	-	15,314	111	212	-	-	15,637
Total unrestricted revenue and other support	12,203	1,392,940	59,530	53,824	49,628	(8,101)	1,560,024
Operating expenses							
Salaries	960	694,373	27,562	20,949	24,076	8,482	776,402
Employee benefits	263	194,619	5,764	5,724	6,112	1,493	213,975
Medical supplies and medications	139	201,451	5,910	8,712	3,736	19	219,967
Purchased services and other	17,448	168,029	13,206	13,535	11,888	(18,402)	205,704
Medicaid enhancement tax	-	45,839	1,941	2,363	1,853	-	51,996
Depreciation and amortization	75	56,649	4,075	3,436	2,978	-	67,213
Interest	-	16,781	849	357	455	-	18,442
Expenditures relating to net assets released from restrictions	-	15,314	111	212	-	-	15,637
Total operating expenses	18,885	1,393,055	59,418	55,288	51,098	(8,408)	1,569,336
Operating margin (loss)	(6,682)	(115)	112	(1,464)	(1,470)	307	(9,312)
Nonoperating gains (losses)							
Investment (losses) gains	-	(12,011)	625	311	60	-	(11,015)
Other, net	339	(2,880)	1,409	141	57	(307)	(1,241)
Contribution revenue from acquisition	92,499	-	-	-	-	-	92,499
Total nonoperating (losses) gains, net	92,838	(14,891)	2,034	452	117	(307)	80,243
(Deficiency) excess of revenue over expenses	86,156	(15,006)	2,146	(1,012)	(1,353)	-	70,931
Unrestricted net assets							
Net assets released from restrictions (Note 8)	-	717	5	1,010	679	-	2,411
Change in funded status of pension and other postretirement benefits	-	(62,977)	-	2,875	(790)	-	(60,892)
Net assets transferred (from) to affiliates	(84,626)	(7,873)	-	76,827	15,672	-	-
Additional paid in capital	600		-	-	-	(600)	-
Change in fair value on interest rate swaps	-	(869)	(221)	-	159	-	(931)
(Decrease) increase in unrestricted net assets	$ 2,130	$ (86,008)	$ 1,930	$ 79,700	$ 14,367	$ (600)	$ 11,519

Dartmouth-Hitchcock and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2015

(in thousands of dollars)	D-H Obligated Group	THF	DHMC	Eliminations	D-H and Subsidiaries
Unrestricted revenue and other support					
Net patient service revenue	$ 1,225,874	$ -	$ -	$ (2)	$ 1,225,872
Contracted revenue	81,474	847	-	(230)	82,091
Other operating revenue	64,928	2,356	6,482	(4,103)	69,663
Net assets released from restrictions	14,610	704	-	-	15,314
Total unrestricted revenue and other support	1,386,886	3,907	6,482	(4,335)	1,392,940
Operating expenses					
Salaries	693,407	-	-	966	694,373
Employee benefits	194,467	-	-	152	194,619
Medical supplies and medications	201,458	-	-	(7)	201,451
Purchased services and other	160,088	3,375	6,484	(1,918)	168,029
Medicaid enhancement tax	45,839	-	-	-	45,839
Depreciation and amortization	56,649	-	-	-	56,649
Interest	16,781	-	-	-	16,781
Expenditures relating to net assets released from restrictions	14,610	704	-	-	15,314
Total operating expenses	1,383,299	4,079	6,484	(807)	1,393,055
Operating margin (loss)	3,587	(172)	(2)	(3,528)	(115)
Nonoperating gains (losses)					
Investment (losses) gains	(12,079)	68	-	-	(12,011)
Other, net	(6,408)	-	-	3,528	(2,880)
Total nonoperating (losses) gains, net	(18,487)	68	-	3,528	(14,891)
(Deficiency) excess of revenue over expenses	(14,900)	(104)	(2)	-	(15,006)
Unrestricted net assets					
Net assets released from restrictions (Note 8)	454	263	-	-	717
Change in funded status of pension and other postretirement benefits	(62,977)	-	-	-	(62,977)
Net assets transferred (from) to affiliates	(7,873)	-	-	-	(7,873)
Change in fair value on interest rate swaps	(869)	-	-	-	(869)
(Decrease) increase in unrestricted net assets	$ (86,165)	$ 159	$ (2)	$ -	$ (86,008)

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2014

(in thousands of dollars)	D-HH (parent)	D-H and Subsidiaries	NLH and Subsidiaries	Eliminations	Health System Consolidated
Unrestricted revenue and other support					
Net patient service revenue	$ -	$ 1,190,366	$ 39,482	$ -	$ 1,229,848
Contracted revenue	1,004	91,386	-	-	92,390
Other operating revenue	2,435	62,399	2,161	(2,191)	64,804
Net assets released from restrictions	-	11,576	94	-	11,670
Total unrestricted revenue and other support	3,439	1,355,727	41,737	(2,191)	1,398,712
Operating expenses					
Salaries	1,071	651,038	21,070	2,537	675,716
Employee benefits	311	203,388	4,783	570	209,052
Medical supplies and medications	-	188,885	7,512	-	196,397
Purchased services and other	7,702	162,069	5,897	(5,712)	169,956
Medicaid enhancement tax	-	32,636	1,852	-	34,488
Depreciation and amortization	103	54,915	2,711	-	57,729
Interest	-	17,777	659	-	18,436
Expenditures relating to net assets released from restrictions	-	11,576	94	-	11,670
Total operating expenses	9,187	1,322,284	44,578	(2,605)	1,373,444
Operating margin	(5,748)	33,443	(2,841)	414	25,268
Nonoperating gains (losses)					
Investment gains	(267)	55,927	1,144	-	56,804
Other, net	333	(4,679)	287	(414)	(4,473)
Contribution revenue from acquisition	33,692	-	-	-	33,692
Total nonoperating gains, net	33,758	51,248	1,431	(414)	86,023
Excess (deficiency) of revenue over expenses	28,010	84,691	(1,410)	-	111,291
Unrestricted net assets					
Net assets released from restrictions (Note 8)	-	748	15	-	763
Change in funded status of pension and other postretirement benefits	-	19,669	-	-	19,669
Net assets transferred to affiliate	(29,257)	(4,435)	33,692	-	-
Additional paid in capital	1,348	-	-	(1,348)	-
Change in fair value on interest rate swaps	-	1,538	-	-	1,538
Increase (decrease) in unrestricted net assets	$ 101	$ 102,211	$ 32,297	$ (1,348)	$ 133,261

Dartmouth-Hitchcock and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2014

(in thousands of dollars)	D-H Obligated Group	THF	DHMC	Eliminations	D-H and Subsidiaries
Unrestricted revenue and other support					
Net patient service revenue	$ 1,190,366	$ -	$ -	$ -	$ 1,190,366
Contracted revenue	91,034	710	-	(358)	91,386
Other operating revenue	57,306	1,704	6,933	(3,544)	62,399
Net assets released from restrictions	10,274	1,302	-	-	11,576
Total unrestricted revenue and other support	1,348,980	3,716	6,933	(3,902)	1,355,727
Operating expenses					
Salaries	649,981	-	-	1,057	651,038
Employee benefits	203,259	-	-	129	203,388
Medical supplies and medications	188,905	-	-	(20)	188,885
Purchased services and other	154,908	2,816	6,934	(2,589)	162,069
Medicaid enhancement tax	32,636	-	-	-	32,636
Depreciation and amortization	54,894	-	21	-	54,915
Interest	17,777	-	-	-	17,777
Expenditures relating to net assets released from restrictions	10,274	1,302	-	-	11,576
Total operating expenses	1,312,634	4,118	6,955	(1,423)	1,322,284
Operating margin	36,346	(402)	(22)	(2,479)	33,443
Nonoperating gains (losses)					
Investment gains	53,398	2,529	-	-	55,927
Other, net	(7,158)	-	-	2,479	(4,679)
Total nonoperating gains, net	46,240	2,529	-	2,479	51,248
Excess (deficiency) of revenue over expenses	82,586	2,127	(22)	-	84,691
Unrestricted net assets					
Net assets released from restrictions (Note 8)	485	263	-	-	748
Change in funded status of pension and other postretirement benefits	19,669	-	-	-	19,669
Net assets transferred to affiliate	(4,435)	-	-	-	(4,435)
Change in fair value on interest rate swaps	1,538	-	-	-	1,538
Increase (decrease) in unrestricted net assets	$ 99,843	$ 2,390	$ (22)	$ -	$ 102,211

DARTMOUTH-HITCHCOCK (D-H)
DARTMOUTH-HITCHCOCK HEALTH (D-HH)

BOARDS OF TRUSTEES AND OFFICERS
(19 Total Trustees)
Effective: January 1, 2016

Troyen A. Brennan, MD, MPH (Wendy Warring) MHMH/DHC/D-HH Trustee *Executive Vice President and* *Chief Medical Officer of CVS Health*		MHMH/DHC: Elected on 3/20/2015. Term began 4/1/2015. Full term expires 12/31/2023. D-HH: Elected on 3/20/2015 as a DHC rep.
R. William Burgess, Jr. (Barbara) MHMH/DHC/D-HH Trustee *Managing Partner, ABS Ventures*		MHMH/DHC: Elected on 12/5/2014. Term began 1/1/2015. Full term expires 12/31/2023. D-HH: Elected on 9/19/2014 to complete Bill Helman's term as DC rep through 12/31/2014 and to begin his own 4 yr term on 1/1/2015 (ending 12/31/2018).
Jeffrey A. Cohen, MD (Renee Vebell) MHMH/DHC Trustee *Chair, Dept. of Neurology*		MHMH/DHC: Elected on 12/4/2015. Term began 1/1/2016. Full term expires 12/31/2018.
Duane A. Compton, PhD MHMH/DHC/D-HH Trustee *Ex-Officio: Interim Dean, Geisel School of Medicine at Dartmouth*		

William J. Conaty (Sue) MHMH/DHC/D-HH Trustee *President, Conaty Consulting, LLC*		MHMH/DHC: Term began 6/1/2011. Full term expires 5/31/2020. D-HH: Elected DHC rep. trustee (on 12/9/11) effective 1/1/2012.
Vincent S. Conti (Meredith) MHMH/DHC/D-HH Trustee *Retired President & CEO, Maine Medical Center*		MHMH/DHC: President appointed to MHMH Aug-Dec 2009. Nominated to both MHMH/DHC on 8/13/09 for a term to start 1/1/2010. Current & full terms expire 12/31/2018. D-HH: Elected 12/2/09 as an MHMH rep.
Denis A. Cortese, MD (Donna) MHMH/DHC/D-HH Trustee *Foundation Professor at Arizona State University (ASU) and Director of ASU's Healthcare Delivery and Policy Program*		
Barbara J. Couch (Richard) MHMH/DHC/D-HH Board's Secretary President of Hypertherm's HOPE Foundation		MHMH/DHC: Nominated on 3/25/09; completed D. Weaver's term through 12/31/09. Full term began 1/1/2010. Current & full terms expire 12/31/2018. D-HH: Elected DHC rep.

Paul P. Danos, PhD (Mary Ellen) MHMH/DHC/D-HH Trustee *Dean Emeritus; Laurence F. Whittemore Professor of Business Administration, Tuck School of Business at Dartmouth*		MHMH/DHC: Elected 2/5/2014 for a term beginning immediately. Term expires 12/31/2016. Full term expires 5/31/2022. D-HH: Elected DHC rep. trustee (on 2/5/2014) effective immediately.
Senator Judd A. Gregg (Kathleen) MHMH/DHC Trustee *Senior Advisor to SIFMA*		MHMH/DHC: Term began 1/1/2013. Full term expires 12/31/2021.
M. Brooke Herndon, MD (Eric Miller) MHMH/DHC (Lebanon Physician) Trustee *Staff Physician, Primary Care, DHMC (Heater Road)*		D-H: Elected on 3/20/2015 for a 3 year term that began 1/1/2015 and end 12/31/ 2017.
Barbara C. Jobst, MD (Markus) MHMH/DHC (Lebanon Physician) Trustee *Section Chief of Adult Neurology at DHMC and Director of the Dartmouth-Hitchcock Epilepsy Center*		D-H: Elected on 12/6/2013 for a 3 year term to begin 1/1/2014 and end 12/31/ 2016.
Laura K. Landy (Robert Corman) MHMH/DHC/D-HH Trustee *President and CEO of the Fannie E. Rippel Foundation*		MHMH: President appointed to MHMH effective 9/1/2012 (approved by the BoT 6/15/12). Nominated to both MHMH/DHC on 12/7/12 for a term to start 1/1/2013. Full term expires 12/31/2021. D-HH: Elected on 3/15/13 as an MHMH rep.

Robert A. Oden, Jr., PhD (Teresa) MHMH/DHC/D-HH Boards' Vice Chair *Retired President, Carleton College*		MHMH/DHC: President appointee to MHMH (1/27/11 - 12/31/11). Elected to MHMH/DHC Boards on 12/9/11 for a term 1/1/2012 - 12/31/2014. Full term expires 12/31/2020. Became Board Chair 1/1/2013. Term expired 12/31/15. Vice-Chair: 1/1/16 D-HH: Elected DHC rep. trustee (on 12/9/11) effective 1/1/2012.
Charles G. Plimpton (Barbara Nyholm) MHMH/DHC/D-HH Boards' Treasurer *Retired Investment Banker*		MHMH/DHC: Elected on 3/20/2015. Term began 4/1/2015. Full term expires 12/31/2023. Board Treasurer: 1/1/16 D-HH: Elected on 3/20/2015 as an MHMH rep.
Timothy D. Scherer, MD MHMH/DHC Trustee *Associate Medical Director of Specialty Services, D-H Nashua*		MHMH/DHC: Elected on 12/4/2015. Term began 1/1/2016. Full term expires 12/31/2018.
Brian C. Spence, MD, MHCDS (Kirsten Glass, VMD) MHMH/DHC Trustee *Associate Professor of Anesthesiology*		MHMH/DHC: Elected on 12/4/2015. Term began 1/1/2016. Full term expires 12/31/2018.

Anne-Lee Verville MHMH/DHC/D-HH Boards' Chair *Retired senior executive, IBM*		MHMH/DHC: Completed Fuehrer's term through 12/31/08. Nominated on 12/17/08. Term began 1/1/2009. Full term expires 12/31/2017. D-HH: Elected 9/3/10 as an MHMH rep. trustee. Re-elected on 12/6/2013 as a DHC rep for a term to end on 12/31/2015. Re-elected as MHMH rep on 12/4/15. Vice-Chair effective 10/1/2014. Board Chair eff: 1/1/16
James N. Weinstein, DO, MS (Mimi) MHMH/DHC/D-HH Trustee *Ex-officio: CEO, Dartmouth-Hitchcock; President, D-HH*		MHMH/DHC/D-HH: Ex-officio as DHC President effective 1/14/2010. Ex-officio as CEO of D-H began 11/1/2011. Voted by the D-HH Board as President on 9/1/2012 or upon vacancy. Became President on 11/14/2011 when Dr. Colacchio resigned.

Member of D-HH, not a member of D-H:

Steven "Steve" A. Paris, MD (Susan) **D-HH Trustee**		D-HH: elected to the Board on 6/28/13 for a term to begin immediately and end on 12/31/2015. Elected on 12/4/2015 for a term effective as of 1/1/2016 as a Physician Rep. (NOTE: Term expired on D-H Board 12/31/2015)

JAMES NEIL WEINSTEIN

EMPLOYMENT:

Year	Position	Institution
11/1/2011-present	Chief Executive Officer and President	Dartmouth-Hitchcock (Mary Hitchcock Memorial Hospital, Dartmouth-Hitchcock Clinic)
11/14/2011-present	Chief Executive Officer and President	Dartmouth-Hitchcock Health

OTHER POSITIONS:

1/1/2010-11/1/2011	President, Dartmouth-Hitchcock Clinic	Dartmouth-Hitchcock
7/1/2010-present	Peggy Y. Thomson Professor (Chair) in the Evaluative Clinical Sciences	Geisel School of Medicine at Dartmouth
3/1/10-present	Co-Founder, The Center for Health Care Delivery Science	Dartmouth College
2010 - present	Founding Member and Chair, High Value Healthcare Collaborative, Executive Committee	High Value Healthcare Collaborative
4/7/09-6/30/2010	Third Century Chair	Geisel School of Medicine at Dartmouth
12/2009-present	Chair, Board of Governors	Dartmouth-Hitchcock
1/1/09-12/2009	Vice Chair, Board of Governors	Dartmouth-Hitchcock/
2007 – present	Professor of Health Policy and Clinical Practice	Geisel School of Medicine at Dartmouth
7/1/2007-11/1/2011	Director, The Dartmouth Institute for Health Policy and Clinical Practice (TDI)	Geisel School of Medicine at Dartmouth
2010-present	Professor, Department of Orthopaedics	Dartmouth-Hitchcock/ Geisel School of Medicine at Dartmouth
2005-2007	Director, Institute for Informed Patient Choice (TDI)	Geisel School of Medicine at Dartmouth
2003-2010	Professor and Chair, Department of Orthopaedics	Dartmouth-Hitchcock/ Geisel School of Medicine at Dartmouth
2001-2002	Professor and Chief, Section of Orthopaedic Surgery	Dartmouth-Hitchcock/ Geisel School of Medicine at Dartmouth
2000-2005	Co-Director, Clinical Trials Center	Geisel School of Medicine at Dartmouth
1996-2007	Senior Member, Center for the Evaluative Clinical Sciences (now TDI)	Geisel School of Medicine at Dartmouth
1999-2009	Founder and Director, Center for Shared Decision Making	Dartmouth-Hitchcock Medical Center
1997-2003	Founder and Director, Spine Center	Dartmouth-Hitchcock Medical Center
1996-2004	Director, Surgical Outcomes Assessment Program	Dartmouth-Hitchcock Medical Center
1996-2006	Professor of Surgery and of Community & Family Medicine	Geisel School of Medicine at Dartmouth
1994-1996	Co-Director and Special Consultant, Office of Outcomes Evaluation and Management	University of Iowa Hospital and Clinics

1994-1996	Co-Director, Spine Research Center	University of Iowa College of Medicine
1993-present	Editor-in-Chief	*Spine*
1991-1996	Endowed Professor (1993-1996), Orthopaedic Surgery	University of Iowa College of Medicine
1991-1996	Professor, Biomedical Engineering	University of Iowa College of Engineering
1987-1996	Director, Spine Diagnostic & Treatment Center	University of Iowa, Dept. of Orthopaedic Surgery
1987-1991	Associate Professor, Orthopaedic Surgery	University of Iowa
1983-1987	Assistant Professor, Orthopaedic Surgery	University of Iowa
1978-1983	Resident, Orthopedic Surgery	Rush-Presbyterian-St. Luke's (RPSL) Medical Center, Chicage

OTHER EMPLOYMENT PERTAINING TO CURRENT PROFESSIONAL APPOINTMENTS:

Year	Position	Institution
1983-1996	Consultant	Veterans Admin. Hospital, Iowa City, IA
1982-1983	Adjunct Attending	RPSL Orthopaedic Surgery
1977-1984	Instructor, Cardio Pulmonary Resuscitation	American Heart Association

CERTIFICATION: American Board of Orthopaedic Surgery 1985, Re-certification 2002

Board: Fellow of AAOS, January 22, 1987
Diplomat of AAOS, Board Certified, July 19, 1985

LICENSURE:

State	Date	Perm/Temp	Number	Renewal Date
Illinois	1979	Permanent	003-036-057488-1	7/31/2017
Iowa	1983	Permanent	01989	6/01/2018
New Hampshire	1996	Permanent	9664	6/30/2018

EDUCATION:

Year	Degree	Institution
1995	M.S. (Health Services Research, Evaluative Clinical Sciences)	The Dartmouth Institute for Health Policy and Clinical Practice, Dartmouth College
1977	D.O.	Chicago College of Osteopathic Medicine, Chicago, IL
1972	B.S. (Biochemistry)	Bradley University, Peoria, IL

POST-GRADUATE EDUCATION:

Year	Position	Institution
1978-1983	Residency, Orthopaedic Surgery	Rush-Presbyterian-St. Luke's (RPSL) Medical Center, Chicago
1977-1978	Internship	Rush-Presbyterian-St. Luke's (RPSL) Medical Center, Chicago

HEALTH CARE POLICY:

9/22/2014	Chair, Dartmouth Summit on Medicare Reform Strategies, Hanover, NH.
6/6/2013	Presenter, Nashua Business Leaders Forum.
5/15/2013	Presenter, Eastern Maine Hospital and Health System Board of Trustees.
3/21/2013	"A Sustainable Health System." U.S. Senate Democratic Policy and Communication Committee Panel on Health Care Delivery Systems Reform.
2013	"OneCare Vermont," Testimony to Vermont House Health Care Committee.
2013	Presenter, Concord Hospital Board of Trustees.
2/20/2013	"Creating a Sustainable Health System." The World Bank: Knowledge Series: Science of Delivery. Inaugural Speaker.
1/15/2013	"Creating a Sustainable Health System," Testimony to New Hampshire Senate Committee.
2012	"Shared Decision Making as an element of a single payer health system," Green Mountain Care Board, Montpelier, VT.
1/15-1/17//2011	Panelist, Commonwealth Fund Bipartisan Congressional retreat on health reform, Florida.
9/15/2010	Invited Guest, Dinner meeting with chief executive officers including Delta, Honeywell, Tenneco, Virginia Mason Health System, United Health; sponsored by Senators John Warner, Michael Bennett, Jeanne Shaheen, Washington, DC.
6/16/2010	Panelist, United States Senate Democratic Steering Committee meeting on implementation of the Patient Protection and Affordable Care Act.
4/20/2010	Witness, Department of Health and Human Services Health Information Technology Meaningful Use Workgroup, Washington, DC.
8/10/2009	Senators Jeanne Shaheen and Amy Klobuchar, Roundtable on shared decision making, Dartmouth-Hitchcock Medical Center, Lebanon, NH.
7/8-7/9/2009	Rapid Learning Network White House and Congressional meetings re: health care reform, July 8-9, 2009.
4/6/2009	Roundtable on Health Care Policy hosted by Senator Jeanne Shaheen, Dartmouth-Hitchcock Clinic-Manchester, Manchester, NH.
3/17/2009	Northeast White House Regional Forum on Health Reform hosted by Vermont Governor Jim Douglas, Massachusetts Governor Duval Patrick and Nancy Ann Deparle, Director of White House Office of Health Reform, University of Vermont, Burlington, VT. (Guest)
2/14/2008	Witness, House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies re: Health Overview Hearing, Washington, DC.
2002-2003	U.S. Senate Finance Committee work re: demonstration project participant on new model of Health Care reimbursement, CMS Legislation #646 – precursor to ACO's and National Collaborative. Designed, in part, after DHMC Spine Center integrative program.

PROFESSIONAL AFFILIATIONS (INCLUDING OFFICES HELD):

Year	Organization
2013-present	International Advisory Committee, Institute for Hospital Management, Shenzen, China
2008-2010	Member, Lumbar Spine Research Society (LSRS)
2002-2010	Member, J. Robert Gladden Orthopaedic Society
2001-2011	Director, American Board of Orthopaedic Surgery (ABOS) - Senior Director (2008-2010) - Vice-President (2007-2008) - Member, Public Director Nominating Committee (2007-2008) - Secretary (2007-2008) - Treasurer (2006-2007) - Member, Search Committee for ABOS Executive Director (2006-2007) - Finance Committee (2005 to present) - ABOS/AAOS Combined Task Force on MOC, Liaison ABOS-AAOS (2003-2006) - Maintenance of Certification (MOC) (2003-2007) - Research Committee/Data Base Committee (2002 to present); Chair (2005-2008) - Strategic Planning for Use of Data Sets (2002-2005) - Written Examination Committee (2002-2011) - Question Writing Task Force (2001-2005) - Credentials Committee (2001-2011) - Oral examiner (2001-2011)

1996-2013	Member, New England Orthopaedic Society
2001-present	Member, American Osteopathic Association
1993-2006	National Spine Network (National Spine Database, Chairman, Co-Founder)
1992-2014	American Orthopaedic Association (AOA) - Chair, Liaison AOA-AAOS (Strategic Plan) (2004) - Strategic Planning Retreat Committee (to 1997)
1992-present	Member, Cervical Spine Research Society (CSRS)
1991-2013	Member, Scoliosis Research Society (SRS)
1987-present	**American Academy of Orthopaedic Surgeons (AAOS)** - Chair, Workgroup on Medical School Education (2006-2007) - Board Liaison (2006-2008) - Chair, Liaison AAOS-AOA (Strategic Plan 2006) - Patient-Centered Care Project Team (2004-2007) - Chairman, Council on Academic Affairs - AAOS Board of Directors (Feb. 2004- Feb. 2006) - Maintenance of Certification (MOC) Task Force, Liaison AAOS-ABOS (2003-2007) - CMS/HICFA (Medicare) Representative re: AAOS (Spine Surgery) - CMS/HICFA (Medicare) Representative re: AAOS (Arthroscopy 2003) - Chairman, Disparities Task Force - grant supported workshop AHRQ 2003, Conf Nov 2003 - Chairman, Variations in Musculoskeletal Practice –NIH Co-PI submitted 2002 & 2004 - Chairman, Search Committee for AAOS CEO Karen Hackett (2002 to Feb., 2003) - Board of Directors AAOS (2001-2003) member-at-large - Chairman, Task Force for Health Care Disparity (2001-2002) - Chairman AAOS Washington DC course Clinical Trials (2000, 2002, 2003, 2005) - Chairman, Task Force for Quality Improvement Initiatives (1999-2005) - Task Force on Shared Decision-Making Variation (1999 to present) - AAOS Strategic Planning Committee "AAOS in 2005 (1999) - Chairman Annual Meeting Instructional Course Clinical Trials - On-Line Editorial Board, AAOS (1995-1997) - Council on Research & Scientific Affairs (1994-2001) - Committee on Outcome Studies (1994 to 1997) - Instructional Courses (1990 to 1997) Chair of Spine Courses - Chairman, AAOS OITE Examination Committee, "The Adult Spine" (1988-1996) - Chairman, AAOS Task Force to re-organize several divisions related to Outcomes, Evidence-based Medicine, etc. (1986-1988)
1985-present	**International Society for the Study of the Lumbar Spine (ISSLS)** - Presidential Guest Speaker, Porto, Portugal, 2004 - President (1994-1995) - President-elect (1992-1994) - Secretary (1990-1993) - Program Committee (1989-1993) - Editorial Committee (Chairman) (1989-1993) - Volvo Awards Committee (1994-2009) - Lifetime Achievement Award Committee (1998-2004)
1985-2013	Member, Orthopaedic Research Society
1984-2000	International Society for the Study of Pain - Guest lecture, Austria, 1998
1979-present	Rush Surgical Society - President (1996 to 1997)
1985-1996	Iowa Orthopaedic Society
1988-1996	UI Hospital/Work Safe Iowa
1987-1992	Department of Labor/NIOSH Task Force "Low Back Pain"
1989-1992	Operating Room Planning Committee, UIHC
1986-1987	Transfusion Committee (protocols & guidelines), University Hospitals

AREAS OF PERSONAL INTEREST:

Running: October 1995, Chicago Marathon
January 1997, Orlando Marathon

Collecting ink wells

Writing non-fiction

CURRICULUM VITAE
Robert A. Greene, MD, MHCDS, FACP
November 2, 2015

Professional Activities and Positions Held:

7/2014- *Executive Vice President and Chief Population Health Management Officer, Dartmouth-Hitchcock Health (D-HH).* Dr. Greene has accountability and oversight for one of the three pillars of the D-HH sustainable health system: improving population health. Working in close collaboration with our clinical and administrative leadership, he oversees operations for our population health management and Accountable Care Organization (ACO) work across One D-H, as well as leading the development and implementation strategies to succeed under population-based reimbursement models. The Population Health Management Division also includes the primary care service line as well as the Population Health Collaboratory at Dartmouth-Hitchcock. Dr. Greene also plays a key role in our employee wellness and population health initiatives, working with programs at D-HH and with partners in the community. Dr. Greene reports directly to Dr. James Weinstein, CEO and President D-HH.

1/2008-6/2014 *Senior leadership positions at UnitedHealthcare.* UnitedHealthcare is the benefits arm of UnitedHealth Group, a Fortune top 50 company.

2/2014-6/2014 *Senior Vice President, Innovation and Applied Analytics, UnitedHealthcare.* Executive leader of the Clinical Analytics Division of UnitedHealthcare, reporting to the UHC CMO. Responsible for coordinating clinical performance measurement across UnitedHealthcare. Since 2013, responsible for the UHC Patient Centered Medical Home (PCMH) program, which included over 250 sites. In charge of research and development for UnitedHealthcare's national physician and hospital public reporting performance measurement program, the UnitedHealthcare Premium® designation program; analytic support for patient centered medical home pilots; clinical performance measurement for performance based contracting and value based incentives; and multiple provider-facing quality improvement programs.

Executive sponsor for design and operations of the UHC Patient Centered Care Model (PCCM), a model of care that integrates the medical, behavioral, and social needs of patients especially those with multiple complex chronic diseases; and alignment of UHC models of care under the PCCM framework.

2011-2014 *National Vice President, Clinical Analytics, UHC.* To duties listed below, added responsibility for clinical performance measurement across UHC value based contracting initiatives. Developed the UHC Patient Centered Care

Model 2012-2014.

2008-2011 *Vice President, Clinical Analytics, UHC.* Responsible for the UHPD program, the national health information exchange team, alignment of quality measurement among UHC programs, external advocacy on quality and cost measurement, multiple quality improvement projects, physician engagement, PCMH pilots (2009), and PCMH analytics (2010-2014).

2002-2007 *Associate Medical Director, Rochester Individual Practice Association, Inc.* From 1999 to 2008, RIPA provided physician services for Blue Choice, the HMO product of Excellus BlueCross BlueShield of the Rochester Region. Blue Choice was the largest HMO in the Rochester area, with approximately 300,000 covered lives. RIPA's panel consisted of approximately 3200 physicians and 700 allied health professionals.

Duties included physician profiling, radiology management, quality improvement initiatives such as decreasing inappropriate antibiotic use, development of gain sharing projects, development of a pay for performance system, monitoring of new technology and assessment of its financial impact, communicating our projects through newsletter and professional articles, and working with RIPA advisory committees and panel members.

2005 *Medical Director Consultant,* Med-Vantage, Inc. Med-Vantage is a national leader in implementation and deployment of physician pay for performance systems.

2001-2006 *Technical Advisor, Rochester (NY) Independent Practice Association (RIPA) Value of Care Plan Committee.* Developed and maintained technical aspects of the RIPA pay for performance system, such as scoring system and formulas for distributing funds.

2001-2006 *Member Joint RIPA-Excellus BlueCross BlueShield Rochester Region (EBCBSRR) Gain Sharing Committee.* Development of gain sharing projects on appropriate antibiotic use, radiology management, and diabetes care, including clinical issues and financial measures. In the spring of 2004 this committee was reorganized as the RIPA-EBCBSRR Joint Medical Management Committee.

1999-2006 *Clinical Co-Chair, RIPA-EBCBSRR Physician Profiling Team.* Responsible for clinical input into the RIPA physician profile, overall design of profile, and development of quality measures. RIPA sent about 2000 individual practitioner profiles to over 20 specialties three times a year.

2000-2002 *Chair, RIPA Multidisciplinary Radiology Management Committee.* Charged with developing methods for improving appropriateness of radiology

utilization. Implemented the Patterns Review for Radiology program. The program resulted in savings of approximately $2 million per year.

2000 *Chair, RIPA Sinusitis and Otitis Media Task Forces.* We developed, published, and disseminated within the RIPA provider community clinical pathways for these two common problems, resulting in decreased inappropriate antibiotic utilization and yearly savings of over $1 million.

1999-2002 *Treasurer, RIPA.*

1997-2002 *Chair, Finance Committee, RIPA.* Responsibilities included monitoring RIPA financial performance, negotiating contracts with insurers and providers, and monthly reporting to the RIPA board.

1995-2002 *Board of Directors, RIPA.*

1992-1995 *Member,* RIPA Internal Medicine Advisory Committee.

1992-1993 *Member,* RIPA Ad Hoc Medicare Admissions Task Force.

1989-1990 *Staff,* Center for Clinical Effectiveness, Henry Ford Health Systems. The CFCE had several ongoing projects, such as conducting medical outcome studies and developing standards for preventive services.

1984-1985 *Research Assistant,* Leonard Davis Institute of Health Economics, University of Pennsylvania. Designed a microcomputer-based clinical decision analysis system.

Spring 1983 Hospital of the University of Pennsylvania. Wrote a software package to control an isolated heart experiment.

1976-1982 Extensive experience in computer hardware design and programming.

National Expert Panels:

2014 - *D-H representative, Health Care Transformation Task Force.* From the HCTTF web site: The Health Care Transformation Task Force is an industry consortium that brings together patients, payers, providers and purchasers to align private and public sector efforts to clear the way for a sweeping transformation of the U.S. health care system. We are committed to rapid, measurable change, both for ourselves and our country. http://www.hcttf.org/

11/18/2013 *Invited roundtable: Discussion and Next Steps for Accountable Care Organization Medicare Shared Savings Program Measures 2.0.* Engelberg

Center for Health Care Reform at the Brookings Institute. Washington, DC.

12/5-6/2012 *IOM Roundtable on Value and Science-Driven Health Care: Core Metrics for Better Care, Lower Costs, and Better Health.* Irvine, California.

2/9/2012-13 *Expert Advisory Panel, RAND-ONC Project on Efficiency Measures Associated with the Use of Electronic Health Records.* The panel participated in a modified Delphi process to prioritize a set of potential utilization and efficiency measures and measure concepts that could be considered by the ONC's Health IT Policy Committee for possible inclusion as part of Stage 3 Meaningful Use, as well as wider health IT applications.

2/2/2012 *NCQA ACO Specifications Advisory Group.* NCQA convened the advisory group in order to discuss general guidelines for interpretation and use of its ACO certification standards, and related policy issues.

12/2011-4/2012 *AGA/NASPGHAN Pediatric IBD Measures Work Group.* The American Gastroenterological Association and the North American Society for Pediatric Gastroenterology, Hepatology and Nutrition convened a work group in the fall of 2011 to develop performance measures for pediatric inflammatory bowel disease care.

8/8/2011 *NCQA and the Dartmouth Institute Total Expenditures Workgroup Meeting.* NCQA Offices, Washington, DC.

6/5/2011 *IHA Roundtable.* Updates on Episode of Care Payment Models. San Francisco, CA.

7/8/2011 *Academy Health Roundtable Discussion.* On reporting requirements of the Affordable Care Act.

5/2011-12/2011 *Technical Expert Panel, Systematic Review of the Effects of Bundled Payment Strategies on Health Care Spending and Quality of Care.* The TEP was convened by RAND under contract to AHRQ to create criteria for the systematic review described, and review the resulting report.

10/2010-7/2010 *Efficiency Tiger Team, Health Information Technology (HIT) Policy Committee Quality Measures Workgroup.* Charged with making recommendations on efficiency conceptual framework and measures for the QMWG, as authorized by PPACA and under the auspices of the ONC HIT.

2/2010-2011 *Brookings-Dartmouth ACO Performance Measurement Workgroup.* The Workgroup helped develop performance measurement methodology for the Brookings-Dartmouth Accountable Care Organization Pilot Program.

9/2009-2/2010 *Integrated Healthcare Association (IHA) Bundled Episode Payment Pilot, Technical Workgroup.* The IHA sponsors the nation's largest pay for performance system.

1/2009-7/2010 *Data Oversight Workgroup, AHIP Foundation National Data Aggregation Initiative.* The Data Oversight Workgroup develops and approves the methodology related to the AHIPF NDAI.

2008 *Aspirin Use Medical Advisory Panel, National Committee on Quality Assurance.* The Aspirin MAP developed a performance measure for NCQA.

4/2007-2008 *Joint Commission Roundtable on Waste Reduction & Improving Efficiency.* The Joint Commission (formerly JCAHO) has convened a multi-stakeholder Roundtable to produce a white paper on improving the efficiency of health care delivery across the United States.

2/2007 *Technical Expert Panel, Development of Imaging Efficiency Measures. Individual Physician Performance Measures Subgroup.* The TEP was convened by L&M Policy Research under a contract with the Centers for Medicare & Medicaid Services (CMS) to assist CMS in developing a limited set of imaging efficiency measures for quality improvement purposes.

10/2006-1/2008 A*QA Individual Physician Performance Measures Subgroup.* The Ambulatory care Quality Alliance (AQA), is an organization initially convened by the American Academy of Family Physicians, American College of Physicians, America's Health Insurance Plans, and Agency for Healthcare Research and Quality (AHRQ). AQA brings together a large group of stakeholders in order to improve health care quality through measuring physician performance and reporting that as meaningful information.

2/2006-6/2014 *AQA Physician Performance Measures Workgroup.*

2/2006 *Technical Expert Panel, AHRQ project "Identifying, Evaluating, and Categorizing Healthcare Efficiency Measures."* This 12-member panel was managed by the RAND Corporation under the leadership of Elizabeth McGlynn and Paul Shekelle.

2004-6/2014 *Medical Advisory Board, Ingenix Symmetry Products.* The MAB provides clinical input into the OptumInsight (formerly Ingenix) Symmetry product suite, including industry-leading resource measurement software, the Episode Treatment Groups® (ETG), as well as risk adjustment, predictive modeling, and guideline adherence software products.

Regional Expert Panels:

5/2011 *Florida Hospital Association (FHA) Collaborative on Reducing Readmissions, Hospitals and Health Plans Measurements Workgroup.*

2005-2007 *New York State Otitis Project.* NYSOP is sponsored by the NY Department of Health and works at a state-wide level to decrease unnecessary antibiotic usage in otitis media.

2005-2007 *New York State Otitis Project, Payers Subcommittee.*

2001-2003 *New York State Upper Respiratory Infection Committee.* NYSURIC is sponsored by the NY Department of Health and works at a state-wide level to decrease unnecessary antibiotic usage. Its projects have included conferences, a viral illness "prescription pad," and numerous professional and lay person educational materials.

Invited Faculty Positions:

Tuck School of Business, Dartmouth College. Understanding Data: How to improve quality and affordability. *Invited lecture in Information and Technology Course.* Hanover, NH. January 27, 2014.

University of Minnesota Medical School. The Affordable Care Act: What is the Impact? *Partnering with payers in the world of ACA: Driving improvement and higher value.* Bloomington, MN, June 6, 2013.

American Academy of Orthopaedic Surgeons (AAOS) Enhancing Value in Musculoskeletal Care Delivery Course. *Presentations: Perspectives on the Current State of Musculoskeletal Care Delivery – Private Payer Perspective; and Public Reporting and Transparency – Payer/Purchaser Perspective: How Are We Measuring You?* Washington, DC, March 30 and 31, 2012.

Consumer-Purchaser Disclosure Project: Discussion Forum on Cost and Resource Use, Part II: Utilizing Cost and Resource Use Measures in Payment and Public Reporting Programs. *UnitedHealthcare Consumer Reporting: Leveraging Transparency to Improve Quality and Lower Costs.* Webinar presentation and moderated discussion. December 14, 2011.

Brown University PCMH Think Tank. Convened to address the question "How should we be evaluating and measuring PCMH and other practice transformation pilots, initiatives, and programs?" Providence, RI, April 7 and 8, 2011.

Harvard Medical School and American College of Physicians. *2006 Update in Healthcare Quality, Efficiency, and Pay for Performance.* Boston, Massachusetts, October 21,

2006.

American College of Physicians. *Getting Ready for Performance Measurement and Pay for Performance.* Pre-Session Course, ACP Annual Session, Philadelphia, Pennsylvania. April 5, 2006.

University of California, Irvine, Health Policy Research Center. *Pay for Performance Seminar.* Irvine, California. June 2, 2005.

Publications:

1. Weeks WB, Greene RA, Guillette LM, Weinstein JN. Difficile est primum esse: How a triple whammy undermined progress toward the triple aim. Health Affairs Blog October 22, 2015. http://healthaffairs.org/blog/2015/10/23/difficile-est-primum-esse-how-a-triple-whammy-undermined-the-triple-aim/

2. Weeks WB, Greene RA, Weinstein JN. Performance in Year 1 of Pioneer Accountable Care Organizations (letter to the editor). N Engl J Med 2015;373:777.

3. Weeks WB, Greene RA, Weinstein, JN. Potential Advantages of Health System consolidation and integration. Am J Med,2015 June 4 (online publication date):128(10):1050-1051.

4. Greene RA, Dasso E, Ho S, et al. A person-focused model of care for the twenty-first century: A system of systems perspective. Population Health Management. June 2014; 17:166-171.

5. Greene RA, Dasso E, Ho S, et al. Patterns and expenditures of multi-morbidity in an insured working population in the United States: Insights for a sustainable health care system and building healthier lives. Population Health Management, 2013; Nov 6;16:381-389.

6. Metfessel, BA, Greene RA. A Nonparametric Statistical Method for Risk Adjusted Physician Cost of Care Analysis. Health Serv Res. 2012 Apr 23. doi: 10.1111/j.1475-6773.2012.01415.x. [Epub ahead of print]

7. Greene RA, Beckman H, Mahoney TL. Beyond the efficiency index: Finding a better way to reduce overuse and increase efficiency. *Health Affairs* 27, no. 4 (2008): w250-w259 (published online 20 May 2008; 10.1377/hlthaff.27.4.w250) URL: http://content.healthaffairs.org/cgi/content/abstract/hlthaff.27.4.w250. Last accessed June 15, 2008.

8. Beckman H, Mahoney TL, Greene RA. Current approaches to improving the value of care: A critical appraisal. The Commonwealth Fund. Volume 79, December 6, 2007. URL:

http://www.commonwealthfund.org/usr_doc/Beckman_currentapproachesimprovingvaluecarephysperspective_1077.pdf?section=4039
   a. Last accessed January 29, 2008.

9. Young GJ, Meterko M, Beckman H, Baker E, White B, Sautter KM, Greene RA, Curtin K, Bokhour BG, Berlowitz D, Burgess JF Jr. Effects of paying physicians based on their relative performance for quality. J Gen Intern Med. 2007 Jun;22(6):872-6. Epub 2007 Apr 19.

10. Greene RA, Beckman H, Partridge GH, Thomas JW. Review of the Massachusetts Group Insurance Commission Physician Profiling and Network Tiering Plan. Massachusetts Medical Society, November 2006. (Accessed July 23, 2010 at http://www.massmed.org/AM/Template.cfm?Section=Home6&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=16760).

11. Nash DB, Greene RA, Loeppke RR, McCall N, Moorhead T. Insights from the 2006 disease management colloquium. Dis Manag. 2006 Aug;9(4):189-94.

12. Curtin K, Beckman H, Pankow G, Milillo Y, Greene RA. Return on investment in pay for performance: a diabetes case study. J Healthc Manag. 2006 Nov-Dec;51(6):365-74; discussion 375-6.

13. Beckman HB, Suchman AL, Curtin K, Greene RA. Physician reactions to quantitative individual
   a. Performance reports. Am J Med Qual. 2006;21:192-199.

14. Francis DO, Beckman H, Chamberlain J, Partridge G, Greene RA. Introducing a multifaceted intervention to improve the management of otitis media: How do pediatricians, internists and family physicians respond? Am J Med Qual. 2006;21:134-143.

15. Greene RA. The Value of Value-Based Purchasing (letter to editor). Health Policy Newsletter (Thomas Jefferson University, Philadelphia, Pennsylvania), 2005 June;18, no. 2:3.

16. Greene RA, Beckman H, Chamberlain J, Partridge G, Miller M, Burden D, Kerr J. Increasing Adherence to a Community – Based Guideline for Acute Sinusitis through Education, Physician Profiling, and Financial Incentives. Am J Manag Care. 2004;10:670-678.

17. Greene RA. Report of the RIPA Task Force on Otitis Media. September 2000. Rochester, NY. <http://www.ripa.org/otitis_media_task_force_report.htm>

18. Greene RA. Report of RIPA Task Force on Acute Sinusitis. April 2000. Rochester, NY. <http://www.ripa.org/new_page_1.htm>

19. Richard EA, Greene RA. Book Chapter: Cholelithiasis and acute cholecystitis. In Panzer RJ et al (ed.) *Diagnostic Strategies for Common Medical Problems-2nd ed.* American College of Physicians: Philadelphia; 1999.

20. Greene L; Greene RA, ed. *Save Your Hands!* Seattle: Infinity Press, 1995.

21. Greene RA, Griner PF. Book Chapter: Cholelithiasis and acute cholecystitis. In Panzer RJ et al (ed.) *Diagnostic Strategies for Common Medical Problems.* American College of Physicians: Philadelphia; 1991.

22. Nash DB, Greene RA, Williams SV. Abstract: The effect of changing support for graduate medical education. Presented by Dr. Nash at the American College of Physicians (ACP) Regional Meeting in Philadelphia, Oct. 1986.

23. Greene RA, Bloch MJ, Huff DS, Iozzo RV. MURCS association with additional congenital anomalies. Human Pathology 1986;17:88-91.

24. Hershey JC, Greene RA, Cebul RD, Williams SV. Multiple test analyzer (MTA): a microcomputer program for determining preferred strategies with two diagnostic tests. Medical Decision Making 1986;6:79-84.

25. Greene RA, Hershey JC. User's manual for MTA (Multiple Test Analyzer). Leonard Davis Institute, University of Pennsylvania, 1985.

26. Greene RA. MTA technical documentation. Leonard Davis Institute, University of Pennsylvania, 1985.

Presentations:

1. Greene RA. *Population Health Management Strategy. Department of Medicine Grand Rounds, Dartmouth-Hitchcock Medical Center.* Lebanon, NH, August 28, 2015.

2. Greene RA. *Building Successful Careers in Settings Beyond Universities.* Panel Discussion, AcademyHealth National Meeting, Minneapolis, MN, June 15, 2015.

3. Greene RA. *Leadership Preventive Medicine and Population Health Management. Department of Leadership Preventive Medicine Grand Rounds, Dartmouth-Hitchcock Medical Center,* Lebanon, NH, February 6, 2015.

4. Greene RA. *Understanding Data: How to improve quality and affordability. Medical Group Management Association (*MGMA) Annual Conference, San Diego, CA, October 8, 2013.

5. Greene RA. *Understanding Private Sector Incentive Programs – What you need to know to*

succeed. Digestive Disease Week, May 21, 2013.

6. Greene RA. *Considerations around Episode Based Payment.* AHIP 2011 Institute, San Francisco, CA. June 16, 2011.

7. Greene RA. *Using Procedure Episode Groups® to Evaluate Specialists.* 2010 Symmetry and Impact Suite Users Summit. Phoenix, AZ. May 6, 2010

8. Greene RA. *Quality Activities: Private Payers.* American Academy of Orthopaedic Surgeons Workshop on Quality. Chicago, IL. December 3, 2009.

9. Greene RA. *From Claims to Change: Data Sharing Based on Administrative Data.* AMA Physician Consortium on Performance Improvement (PCPI). Washington, DC. October 23, 2009.

10. Greene RA. *The Intersection of Quality and Efficiency.* Plenary session at the Joint Commission National Conference, Overuse, Underuse, Misuse: Reducing Waste and Improving Efficiency in Healthcare. Chicago, Illinois. March 27, 2008.

11. Greene RA. *Understanding Episodes of Care.* A seminar for the American Medical Association, Tucson, Arizona, January 10, 2008.

12. Wendland M, Velte D, Coniglio J, Remein T, Greene RA, Partridge GH, Beckman HB. Using relationship centered principles to improve quality by reducing overuse. Poster presentation, American Academy on Communication in Healthcare, International Conference on Communication in Healthcare. Charleston, South Carolina. October 9-12, 2007.

13. Greene RA, Partridge GH. *Understanding Episodes of Care.* A full day seminar conducted for members of the Physicians Advocacy Institute. Chicago, IL. June 22, 2007.

14. Greene RA. *Succeeding at Pay for Performance.* Michigan Association of Physicians of Indian Origin. Royal Oak, MI. March 18, 2007.

15. Curtin K, Greene RA. *Rewarding Results: Reporting Lessons Learned to CMS. Findings: Excellus and RIPA.* Rewarding Results: Lessons Learned and Implications for Medicare Pay for Performance. Centers for Medicare and Medicaid Services (CMS), Baltimore, MD, December 15, 2006.

16. Greene RA. *Find Specific Instances of Overuse to Reduce Costs and Improve Quality.* In panel discussion: *Update on Episodic Resource Use – Efficiency Measurement.* Rattray M, moderator. Consumer Health World, Washington, DC, December 13, 2006.

17. Greene RA. *From Judgment to CQI: Moving Past the Efficiency Index.* Symmetry Products Customer Conference. Phoenix, AZ, November 7, 2006.

18. Greene RA. *Cost of Care Measures: From Judgment to Quality Improvement.* Harvard-ACP 2006 Update, Boston MA, October 21, 2006.

19. Beckman HB, Greene RA. *The Next Generation of Efficiency Scoring: Identifying Overuse and Misuse.* World Congress, Boston, MA, August 8, 2006.

20. Greene RA. *From ETG to Action: A New Way to Develop Measures of Overuse.* Center for Medicare and Medicaid Services (CMS) Physician Resource Use Group. Baltimore, MD, July 20, 2006.

21. Greene RA. *Positive ROI from Provider PFP Incentives in Diabetes Care: The RIPA Experience.* The Disease Management Colloquium. Philadelphia, PA, May 11, 2006.

22. Greene RA. *Pay for Performance: The RIPA Experience.* NMHCC Symposium: Leveraging Data to Improve the Effectiveness of Pay for Performance Programs. Washington, DC. April 24, 2006.

23. Greene RA. *Pay for Performance: RIPA Results.* Getting Ready for Performance Measurement and Pay for Performance. American College of Physicians Pre-Session Course, ACP Annual Session. Philadelphia, Pennsylvania. April 5, 2006.

24. Greene RA. *Pay for Performance: RIPA Measures.* Getting Ready for Performance Measurement and Pay for Performance. American College of Physicians Pre-Session Course, 2006 ACP Annual Session. Philadelphia, Pennsylvania. April 5, 2006.

25. Greene RA. *Funding Pay for Performance: Lessons from the RIPA Experience.* Diabetes Initiative Pay for Performance Advisory Board. American College of Physicians. March 17, 2006.

26. Greene RA, Partridge GH, Beckman HB. *Paradigms and Tools to Engage Physicians in Improving Quality and Reducing Cost.* Local Initiative Rewarding Results Meeting. San Francisco, California. January 25, 2006.

27. Greene RA. *Creating a successful pay for performance program: Multiple uses for Episode Treatment Groups.* 2005 Symmetry Products Customer Conference. Phoenix, Arizona. November 16, 2005.

28. Greene RA. *Creating a successful pay for performance program.* American College of Physicians Scientific Policy Group. Philadelphia, Pennsylvania. July 14, 2005.

29. Burgess JF, Beckman H, Berlowitz D, Curtin K, Greene RA, Guldin MR, Materko M, White B, Young GJ. *Relating Physicians Perceptions to Individual Performance in Pay for Quality Programs.* National Evaluation Team for Rewarding Results Initiatives. International Health Economics Association 5th World Congress: Investing in Health.

Barcelona, Spain. July 10-13, 2005.

30. Beckman H, Greene RA. *Creating a successful pay for performance program.* RAND Corporation. Santa Monica, California. June 3, 2005.

31. Beckman H, Greene RA. *Creating a successful pay for performance program.* University of California, Irvine, Health Policy Research Center. Irvine, California. June 2, 2005.

32. Kaplan J, Greene RA. *Rochester Rewards Results: Improved Quality Outcomes through Partnership between Health Plan and Physician Practices.* BlueCross BlueShield Association 2004 Focus on Providers. San Diego, California. April 1, 2004.

33. Greene RA, Beckman H, Chamberlain JC, Partridge G, Miller M, Burden D, Kerr J. *Working with Our HMO to Improve Antibiotic Use in Sinusitis.* Presentation and Panel Discussion. Centers for Disease Control Conference, Working Together to Promote Appropriate Antibiotic Use in the Community: CDC and its Partners. Atlanta, Georgia. June 21, 2002.

34. Greene RA, Beckman H, Chamberlain JC, Partridge G, Miller M, Burden D, Kerr J. *Increasing Adherence to a Community-Based Guideline for Sinusitis Care.* Poster Presentation. New York State Upper Respiratory Infection Committee/New York State Department of Health Conference on Antibiotic Resistance. Troy, New York. April 17, 2002.

Awards:

2010 *Second Annual Richard L. Doyle Award for Innovation and Leadership in Healthcare.* Awarded to UnitedHealthcare by Milliman Care Guidelines for working collaboratively with physicians and other health professionals to identify and employ best practices to prevent complications from major bowel surgery (project conducted by Clinical Analytics team at UHC).

2009 *NBCH eValue8™ Award for Innovation: Making a Difference in Health Care.* Awarded to UnitedHealthcare for Patient Centered Medical Home Pilots and Diabetes Health Plan. In 2009 the UHC patient centered medical home pilots were run by the Clinical Analytics team.

2008 Edgar C. Hayhow Article of the Year, American College of Healthcare Executives, for the article "Return on investment in pay for performance: a diabetes case study," published in the November/December 2006 issue of *Journal of Healthcare Management*.

Patents:

Medical Practice Pattern Tool. US patent number 7,818,181 B2, Robert A. Greene, 10/19/2010. Assigned to Focused Medical Analytics, LLC, Rochester, NY. The MPPT derives key cost drivers of practice variation at the service level from episode of care data.

Clinical Positions:

2002-2007 *Strong Health Geriatrics Group.* Practiced one afternoon a week at an assisted living facility in Rochester, NY through the Strong Health Geriatrics Group, part of Highland Hospital and the Strong Health System.

1996-2008 *Attending Physician*, Department of Medicine, Highland Hospital, Rochester, NY. Highland Hospital is a community hospital associated with the University of Rochester Medical Center's Strong Health System.

1990-2004 *Attending Physician*, Department of Medicine, Strong Memorial Hospital, Rochester, NY. Full-time private practice as an internist admitting to Strong Memorial, 7/2/90-6/28/02.

1989-1990 *Senior Staff Internist*, Fourth Medical Division, Henry Ford Hospital, Detroit. Duties included a primary care practice, precepting resident clinic, and ward teaching rounds.

1986-1989 *Resident in Internal Medicine*, Strong Memorial Hospital, University of Rochester School of Medicine, Rochester, NY.

Academic Positions:

2015- *Assistant Professor*, The Dartmouth Institute for Health Policy and Clinical Practice, Lebanon, NH.

1995-2007 *Clinical Assistant Professor of Medicine*, University of Rochester School of Medicine, Rochester, NY.

1990-1995 *Clinical Instructor in Medicine*, University of Rochester School of Medicine, Rochester, NY.

Teaching Experience:

2003- 2007 Univ. of Rochester School of Medicine:
Preceptor, Introduction to Physical Examination

3/20/2002	Univ. of Rochester School of Medicine: Medical Resident Seminar, Diagnosis and Treatment of Acute Sinusitis
1998-2000	Univ. of Rochester School of Medicine: Third Year Medical Student Practice Based Experience
1996-1999	Univ. of Rochester School of Medicine: Outpatient (in-office) resident preceptor
1993-1997	Strong Memorial Hospital: Mentor for Interns Program (mentored one intern per year)
1992-1996	Univ. of Rochester School of Medicine: Introduction to Doctoring Medical Student Preceptor (In-office experience for 1st year medical students)
1991-1998	Univ. of Rochester School of Medicine: Third Year Medical Student clerkship preceptor
1990-1991	Strong Memorial Hospital: Resident Teaching Attending Rounds, 3/25-4/5/91
1989-1990	Henry Ford Hospital, Detroit, MI Resident Clinic Preceptor, three afternoons per week Resident Teaching (Ward Attending), six days/week, July 1989 Resident Teaching (Ward Attending), six days/week, May 1990

Education:

2012-2014	Masters in Health Care Delivery Science, Dartmouth College, Hanover, NH.
1986-1989	Residency in Internal Medicine, Strong Memorial Hospital, Rochester, NY
May 1986	M.D., University of Pennsylvania School of Medicine, Philadelphia, PA
1980-1981	Pre-med courses, Harvard University, Cambridge, MA
June 1978	BA cum laude, Harvard College, Cambridge, MA. Fields of study: electrical engineering and sociology

Board Certification:

Fellow, American College of Physicians, July 1, 1998

American Board of Internal Medicine, Sept. 13, 1989
Diplomate, National Board of Medical Examiners

Medical Licensure:

New York State Medical License #171278
Michigan State Medical License #054180 (inactive, 1993)

Memberships in Professional Organizations:

American College of Physicians, 1988 - present
Rochester Academy of Medicine, 1992 - 2007
Monroe County Medical Society, 1990 - 2007
Medical Society of the State of New York, 1990 - 2007

Community Activities:

1995-1997 *Board of Directors, Rochester Area Professional Liability Association.* RAPLA is a non-profit organization dedicated to medical education to reduce malpractice and thereby improve both doctors' practice patterns and insurance costs.

1993-1997 *Board of Directors*, Rochester Eye and Human Parts Bank.

Sally Ann Kraft, MD, MPH

EDUCATION

2006	University of Michigan School of Public Health, Health Management and Policy – Ann Arbor, Michigan **Master of Public Health**
1983	University of Michigan Medical School – Ann Arbor, Michigan **Medical Doctor**
1979	Williams College – Williamstown, Massachusetts **B.A. *cum laude,* Economics**

Residency

1985 - 1987	Santa Clara Valley Medical Center – San Jose, CA PGY 2-3, Internal Medicine
1983 - 1985	St. Joseph Mercy Hospital – Ann Arbor, MI PGY 1, Internal Medicine and General Surgery

Postgraduate/Fellowship

2006 - 2007	Palo Alto Medical Foundation Research Institute and Center for Health Policy – Stanford University Fellow, Quality Improvement
1989 - 1991	Stanford University Hospital – Stanford, CA Fellow, Pulmonary Medicine
1987 - 1988	Stanford University Hospital – Stanford, CA Fellow, Critical Care Medicine

EMPLOYMENT

2014 - Present	**VP, Community Health, Population Health Management Division** *Dartmouth-Hitchcock Medical Center*
2014 - 2015	**Medical Director, High Value Healthcare Collaborative** *The Dartmouth Institute for Health Policy & Clinical Practice*
2013 - 2014	**Project Coordinator-MD, Population Health** *Dartmouth Hitchcock, Lebanon NH*
2007 - 2014	**Medical Director, UW Health Quality, Safety and Innovation Department** *University of Wisconsin Health System*

	Clinical Associate Professor – Department of Medicine *University of Wisconsin School of Medicine and Public Health*
1998 – 2014	**Physician, Pulmonary Medicine** *University of Wisconsin Medical Foundation (UWMF)*
1998	**Physician** *Elder Care of Dane County - Madison, WI*
1996 - 1997	**Physician, Pulmonary Medicine** *Department of Veterans Affairs, Livermore Hospital - Palo Alto, CA*
1994 - 1996	**Physician, Pulmonary and Critical Care Medicine** *Physicians Plus Medical Group (now UWMF) – Madison, WI*
1992 - 1993	**Physician, Pulmonary and Critical Care Medicine** *Palo Alto Medical Clinic – Palo Alto, CA*
1992 - 1993	**Clinical Faculty, Pulmonary and Critical Care Medicine** *Stanford University Hospital – Stanford, CA*

LICENSURE AND CERTIFICATION

Licensed in State of Wisconsin, Medicine and Surgery

2012	Recertified, Pulmonary Medicine
2002	Recertified, Pulmonary Medicine
1995	Board Certified, Critical Care Medicine
1992	Board Certified, Pulmonary Medicine
1987	Board Certified, Internal Medicine

PROFESSIONAL SOCIETY MEMBERSHIPS

2008 - Present	Group Practice Improvement Network, Member
1997 - Present	American College of Chest Physicians, Member
2009 - 2012	American College of Physicians, Member
2009 - 2011	AMGA Quality Improvement Leadership Council, Member

PROFESSIONAL APPOINTMENTS

2014 – Present	Clinical Adjunct Associate Professor, Department of Medicine University of Wisconsin School of Medicine and Public Health
2009 - 2014	Board Member, Wisconsin Collaborative for Healthcare Quality (WCHQ)

2010 - Present	Board Member, University of Michigan School of Public Health, Health Management & Policy Alumni Board
2009 - 2011	Board Member, UW Health Innovation Program
2008 - 2011	Clinical Advisory Group – Wisconsin Health Information Organization, Physician Member
2010	Abstract Reviewer, Academy Health Meeting
2010	Expert Panel Member – Development of AHRQ Care Coordination Measures, Stanford Health Policy
2008 - 2009	Chair, Madison Patient Safety Collaborative
2008 - 2009	Steering Committee, National Quality Forum (NQF), Clinically Enriched Administrative Data

ACADEMIC LEADERSHIP AND PROGRAM DEVELOPMENT

University of Wisconsin School of Medicine and Public Health

- Leadership for UW Health Maintenance of Certification Portfolio Program. UW Health was accepted as a Portfolio Sponsor in February, 2013. Provided leadership for the development and implementation of the UW Health MOC Portfolio Program.
- Designed and implemented Healthcare Quality Improvement and Innovation, an elective course in QI for health professional students, Spring 2013
- Faculty sponsor for the medical student Quality Improvement and Innovation Interest Group, Fall 2012 – 2014
- Faculty mentor for UW School of Medicine and Public Health student summer internships in quality improvement, 2012 – 2014
- Faculty sponsor for medical student summer internships in Quality Improvement, 2012 - 2013
- Founding member PATH: Primary Care Academics Transforming Health, Fall 2012 – 2014

UW Health

- Physician leader for the development of the UW Health Dyad Leadership Program, developing physician-administrative leaders accountable for clinic and inpatient unit performance
- Physician leader for the development and implementation of the UW Health Improvement Network (UWHIN), a comprehensive education and training program in improvement science

- Established the UW Health Primary Care Patient and Family Advisory Council

UW Health Quality, Safety and Innovation

- Chartered the integrated UW Health Quality, Safety and Innovation Department, 2012
- Co-Chair, UW Health ACO Task Force, 2011
- Chartered UW Health Center for Clinical Knowledge Management, 2010

UWMF Care and Quality Innovations (CQI) Department

- Chartered a new department at UWMF dedicated to quality improvement, 2008
- Developed professional competencies for quality improvement staff, 2008
- Developed ongoing professional development learning sessions for improvement staff, 2008 - 2014

New Programs Developed in Performance Improvement Education and Leadership

- Ambulatory 401, quality improvement education for physicians and managers, 2007 - 2010.
- Ambulatory 402, ongoing improvement and leadership skills for physicians and managers, 2010 - 2011
- UW Health Dyad Leadership, education and training for dyad leaders (physicians and operational managers) across the enterprise, 2012 - 2014
- Performance Improvement Education (PIE), quality improvement education for teams, 2008 - 2014

CMS Demonstration Project:

- Leader of UW Health CMS PQRI Registry based reporting demonstration, 2008 - 2012

Ambulatory Care Innovations Grant (ACIG) Program

- Executive Co-Lead, ACIG Program
- Leader of this internal competitive grant program. Responsible for program development including creation of evidence based scoring for grant applications and final projects, continuous monitoring of grants over their one-year grant cycle, and the design and implementation of performance improvement education for grant recipients, 2008 – 2014

UW Health Pay for Performance Programs

- Chair of the UWMF P4P workgroup, designed and implemented the UW Health Primary Care Pay for Performance Program, 2008 – 2014
- Physician leader for implementation of the UW Health Annual Academic Advancement Award, 2013 - 2014

Gregory A. Norman

[redacted]

PROFESSIONAL EXPERIENCE

DARTMOUTH-HITCHCOCK **Lebanon, NH** (2007-Present)
Director, Community Health (Consulting Basis, Nov. 2007-Feb.2009)
Provide leadership for Dartmouth-Hitchcock's community health initiatives. Key areas of work include:

- *Plan, inform, and support development of the Dartmouth-Hitchcock Health Population Health Management Council*, consisting of patients/community members, Medical Directors, senior hospital/ affiliate hospital leaders, nursing, and others, which works to establish institutional population health priorities; implement strategies to achieve these goals; and make decisions regarding the Dartmouth-Hitchcock Health Population Health Innovation Fund.
- *Lead Community Health Needs Assessment and Community Health Improvement Plan efforts*, including leadership of the 2015 multi-hospital community health needs process and ongoing efforts to increase use of standard tools and assessment process regional and at hospitals across New Hampshire. Currently leading efforts of a five-hospital group to use this shared assessment to identify and implement common community health improvement strategies that will benefit from larger regional approaches.
- *Developing community partnerships to build regional capacity and implement efforts to improve identified community health priorities, including:*
    - Public health infrastructure
    - Influenza immunization
    - Childhood obesity
    - Substance use prevention and treatment
    - Health and wellbeing of older adults
    - Oral health for uninsured children and adults
    - Suicide prevention

  Work includes engagement of community partners; facilitating shared goals among disparate stakeholders; organizing and facilitating collective planning and oversight groups; developing joint implementation plans; training and supervising a staff of eight community health staff to support these efforts; and budgeting and financial management to support this work.
- *Community Benefits Reporting and Planning:* Oversee compilation of financial and service statistics to complete and file Dartmouth-Hitchcock's annual Community Benefits report as required by the State of New Hampshire and the Internal Revenue Service.

MANAGEMENT CONSULTANT / GRANTWRITER **Norwich, VT** (2002-Present)
Operated a private consulting practice centered on fund development and grant writing, as well as organization development and non-profit management issues.

THE FAMILY PLACE **Norwich, VT** (1999-2001)
Business Manager / Supervisor of Healthy Babies and Reach Up Programs

- Provided financial, programmatic, and shared institutional leadership for an organization working to improve the lives of children ages 0-5 and their parents through a wide array of parenting, home visiting, early childhood, special needs, and wrap-around services to parents with significant socio-economic and health barriers to being able to parent to their greatest capacity.

HEADREST, INC. **Lebanon, NH** (1988-1998 and Oct.-Dec. 2004)
Various Roles

- Provided direct crisis intervention, substance use intervention and low-intensity treatment supports, and substance use prevention services to clients through crisis hotline, residential

services, and school/community based outreach services. Led development and implementation of substance use prevention programs.

EDUCATION

Master of Science in Management

- Antioch New England Graduate School, Department of Organization and Management (June 1999). Emphasis on organization development in non-profit organizations.

Bachelor of Arts

- Dartmouth College (cum laude, 1987).

Key Personnel List

New Hampshire Department of Health and Human Services

Administrative Lead: Mary Hitchcock Memorial Hospital
Region Number: Region 1

A	B	C
Name of Individual	**Title**	**Annual Salary**
James N. Weinstein, MD	CEO and President	$1,250,000.00
Robert A. Greene, MD, MHCDS, FACP	Executive Vice President, Chief Population Health Management Officer	$550,000.00
Sally A. Kraft, MD, MPH	Vice-President, Community Health, Primary Lead for Region 1 Section 1115 Waiver Initiative	$295,000.00
Greg Norman, MS	Director, Community Health	$141,398.40

Subject: IDN Administrative Lead (RFP-2016-OCOM-05-BUILD-02)

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

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Concord Hospital, Inc.		1.4 Contractor Address 250 Pleasant Street Concord, NH 03301	
1.5 Contractor Phone Number (603) 225-2711	1.6 Account Number 05-95-47-470010-52010000	1.7 Completion Date June 30, 2021	1.8 Price Limitation $135,000,000
1.9 Contracting Officer for State Agency Eric B. Borrin, Director		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Robert P Steigmeyer President + CEO	

1.13 Acknowledgement: State of NH, County of Merrimack

On [illegible] 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: 7.27.16	1.15 Name and Title of State Agency Signatory Jeffrey Meyers, 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: On: Megan A. Yoder - Attorney 8/5/16

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

Contractor Initials _____
Date 7/22/16

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 $1,000,000per 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.

Contractor Initials MB
Date 7-22-16

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 MJB

Date 7-22-16

Scope of Services

1. Provisions Applicable to All Services

1.1. Language Assistance Services

The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. Future Legislative Action

The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Contract Period

The contract resulting from this RFP will be effective August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

1.4. Administrative Lead Contractual Role

The Contractor is the Administrative Lead for the Integrated Delivery Network (IDN) for Region 2 , described as Capital, under the Department of Health and Human Services Delivery System Reform Incentive Payment Program. The Contractor shall understand and assume full responsibility for any and all obligations and liabilities as the Administrative Lead for the Region 2 IDN pursuant to this Contract and in compliance with the Special Terms and Conditions issued by the Centers for Medicare and Medicaid Services (CMS) for the *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1, which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* which are hereby incorporated by reference into this Contract as Exhibit L-1.

As the Administrative Lead, the Contractor shall act on behalf of the members organizations, documented in Exhibit K-1 of this Contract, of the Region 2 IDN, including entering this Contract, and receiving and distributing funds provided through this Contract, and in accordance with the Region 2 IDN's governance and management structure, as outlined in the IDN's approved Project Plan.

1.5. DHHS Approved IDN Application and Project Plans

The DHHS Approved IDN Application and Project Plans for the Region 2 IDN are hereby incorporated by reference into this Agreement as Exhibit L-2, and any DHHS approved revisions or the latter thereof. The Contractor shall provide services under this Agreement and consistent with these IDN-specific documents, in addition to the documents referenced in subsection 1.4 herein.

2. Statement of Work

2.1. Goals and Expectations for IDN

2.1.1. Composition and Region Served

2.1.1.1. The IDN shall be made up of multiple community-based social service organizations, hospitals, county facilities, primary care providers, and behavioral health providers (both mental health and substance use disorder). The Contractor shall ensure that it establishes with and maintains a clear business relationship between the IDN's component providers, including a joint budget and funding distribution plan that specifies the methodology for distributing funding to participating providers within the IDN. The funding distribution plan must comply with all applicable laws and regulations.

2.1.1.2. The IDN shall serve the geographic region designated by DHHS as Region 2.

2.1.1.3. The parties acknowledge and understand that IDN's member organizations are permitted to participate in multiple IDNs and are not limited to participation in the Region 2 IDN.

2.1.2. Partnering

2.1.2.1. The Contractor shall ensure that IDN member organizations partner with each other within the Region 2 IDN to design and implement DHHS and CMS approved projects, specific to New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1,* to build behavioral health (mental health and substance use disorder) capacity, promote integration of primary care and behavioral health, facilitate smooth transitions in care, and prepare for alternative payment models.

2.1.2.2. The Contractor shall ensure that the Region 2 IDN provides the full spectrum of care and related social services that might be needed by an individual with a behavioral health (mental health and/or substance use disorder) condition. At a minimum, the IDN shall include the following provider types as member organizations:

a. Primary care practices and facilities, serving the majority of Medicaid beneficiaries;
b. Substance use disorder (SUD) providers, including recovery providers, serving the majority of Medicaid beneficiaries;
c. Representation from Regional Public Health Networks;
d. One or more Regional Community Mental Health Centers;
e. Peer-based support and/or community health workers from across the full spectrum of care;
f. One or more hospitals;
g. One or more Federally Qualified Health Centers, Community Health Centers or Rural Health Clinics where available within a defined region;
h. Multiple community-based organizations that provide social and support services reflective of the social determinants of health for a variety of populations, such as transportation, housing, employment services,

financial assistance, childcare, veterans services, community supports, legal assistance, etc.

i. County facilities, such as nursing facilities and correctional institutions.

2.1.3. Goals

2.1.3.1. The Region 2 IDN shall build greater behavioral health capacity, improve integration of physical and behavioral health, and improve care transitions for Medicaid beneficiaries. Under this Contract, the achievement of these goals shall be supported by the IDN's ability to earn performance-based fiscal incentive payments for achieving specified process milestones and clinical outcome metric targets. These shall be achieved in compliance with the IDN's DHHS and CMS approved IDN application and Project Plan.

2.1.4. Administrative Functions

2.1.4.1. The Contractor shall fulfill the reporting and project management responsibilities described in its DHHS and CMS approved IDN Application, including at minimum: capturing, integrating and consolidating data from IDN partner organization as part of the periodic reporting to DHHS throughout the Contract Period. This shall include but not be limited to associated process and outcome metrics that must be reported for each calendar year 2017 through 2020 (Demonstration years 2 through 5) on a semi-annual basis for each stated goal or objective of a project undertaken as part of this Agreement. DHHS reserves the right to designate that some or all reporting requirements utilize standardized reporting forms and at minimum, those required by CMS. The Contractor shall utilize all required DHHS and CMS approved standardized reporting forms; any other reporting formats used by the Contractor shall be subject to DHHS approval.

2.1.4.2. The Contractor shall apply financial processes and controls to maintain its financial stability and ability, throughout the Contract Period, to ensure that transparency and accountability in the management and distribution of waiver funding to the IDN's partner organizations is achieved.

2.1.4.3. The Contractor shall ensure that the IDN participates in Alternative Payment Models that are adopted by DHHS with Medicaid Service delivery and Medicaid managed care plans.

2.1.4.4. The Contractor shall ensure that the Contractor and its IDN partner organizations participate in and collaborate with DHHS designees and agents of DHHS that are assigned to perform and fulfill certain roles and responsibilities under New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1*, including but not limited to the: Independent Assessor, Learning Collaborative leader, Demonstration Health Information Technology Taskforce leader, Demonstration Workforce Capacity leader, and Independent Evaluator, upon DHHS request.

3. Staffing

3.1. Minimum Staffing Requirements

3.1.1. The Contractor shall provide adequate numbers of professionally qualified staff to perform all required contracted services. At minimum, this shall include staff to fulfill the contractual responsibilities specified in Exhibit L-2, the IDN's DHHS approved application, and as required in Exhibits L-1.

3.1.2. The Contractor shall guarantee that all personnel providing the services required by the Contract are qualified to perform their assigned tasks and possess the appropriate professional certification and licensing that may be required by state and federal laws, rules and regulations.

3.1.3. DHHS shall be advised of, and approve in writing, any permanent or temporary changes to or deletions from the Contractor's key personnel who directly impact the management and provision of the contracted services described herein. This requirement shall not extend to the key personnel of the IDN's partner organizations unless such individuals also hold a role required of the Administrative Lead as specified in Exhibit L-1.

4. Compliance

4.1. Delegation and Subcontractors

4.1.1. The Contractor shall identify, and provide advance notice to DHHS, of any and all subcontractors to be utilized in fulfillment of its contractual responsibilities. DHHS reserves the right to accept or reject the use of any subcontractor.

4.2. Compliance with Federal Regulations

4.2.1. The Contractor shall ensure that the delivery of services shall be completed in compliance with the following Federal regulations:

4.2.1.1. Medicaid -42 U.S.C. §1396 et seq (Title XIX Social Security Act);

4.2.1.2. Managed Care Reporting-42 U.S.C. §438 et seq;

4.2.1.3. Transparency-42 C.F.R. 431.412;

4.2.1.4. American with Disabilities Act of 1990;

4.2.1.5. Title VI of the Civil Rights Act of 1964;

4.2.1.6. Section 504 of the Rehabilitation Act of 1973; and

4.2.1.7. Age Discrimination Act of 1975.

Exhibit B

Method and Conditions Precedent to Payment

1. The Contractor understands and agrees that no minimum or maximum payment to the Contractor is guaranteed by this Agreement. The Contractor understands and agrees that all payments under this Agreement are contingent upon the criteria set forth in Section 4 Payment and Funding Allocation of this Exhibit B. The Contractor understands and agrees that the Price Limitation identified in Block 1.8 of the General Provisions (P-37) represents the combined maximum possible payment for all Contractors for the duration of the Agreement. The Contractor understands and agrees that in no event shall the total amount of payments to all Contractors under *New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1* exceed the Price Limitation identified in Block 1.8 of the General Provisions (P-37).

   1.1. The Contractor, acting on behalf of the Integrated Delivery Network (IDN) serving Region 2, described as Capital, shall be recognized by the Department of Health and Human Services (DHHS) as the Administrative Lead of this IDN. Payments to the Contractor are in the Contractor's official capacity as Administrative Lead for this IDN.

      1.1.1. Payments to the Contractor are in support of the approved IDN activities and projects authorized under this Agreement during the Contract Period. The Contractor shall distribute such payments to the Region 2 IDN's member organizations in accordance with its governance documents.

   1.2. The Contractor shall ensure that the Contractor and member organizations in the Region 2 IDN complete and execute an applicable Certificate of Authorization, as specified in Exhibit K.

      1.2.1. The Contractor shall provide to DHHS a notarized original of such Certificates executed by the Contractor upon the Contractor's execution of this Agreement. All such Certificates shall be contained in Exhibit K-1.

      1.2.2. Within ten (10) calendar days of a member organization joining the Region 2 IDN, the Contractor shall provide to DHHS a notarized original of the applicable Certificate, referenced in 1.2. above, that has been executed by a duly authorized representative of the member organization. Additionally, the Contractor shall provide to DHHS a notarized original of a Certificate of Vote/Authorization, issued by the member organization's leadership body that conferred such authorization.

      1.2.3. Should any member organization cease participation in the IDN during the Contract Period, the Contractor shall provide the Department a notarized copy of the withdrawal document developed by the Contractor and the organization within ten (10) calendar days of withdrawal of participation in the IDN, and the Contractor shall certify that the Contractor is acting in accordance with the plan specified in Exhibit L-2 for such withdrawals.

      1.2.4. The Contractor shall not disburse any funds from this contract to a member organization of the Region 2 IDN until such time as the applicable Certificates referenced in 1.2.2. above are executed and provided to DHHS.

Exhibit B

2. Contract period: August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

3. The Contractor understands and agrees that payments made under this Agreement are for the Contractor's fulfillment of the duties and responsibilities specified in this Agreement.

4. **Payment and Funding Allocation**:

   Payments made under this Agreement shall be determined by DHHS in accordance with the payment methodology stated in Exhibit L-1, New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, Attachment D, DSRIP Program Funding and Mechanics Protocol, any revisions thereof, or the latest version as approved by the Centers for Medicare and Medicaid Services (CMS). DHHS determinations shall not be negotiable by the Contractor.

   4.1. Payment Schedule

   4.1.1. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, DHHS shall make a payment to the Contractor on behalf of the approved Region 2 IDN. This payment shall be in the amount of $1,392,857.

   4.1.2. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, based on the Region 2 IDN's share of attributed Medicaid beneficiaries, DHHS shall make payment of $1,002,173 to the Contractor. The attribution of Medicaid beneficiaries for this payment purpose shall be set by DHHS and shall not be negotiable by the Contractor.

   4.1.3. The payments specified in Subsections 4.1.1. and 4.1.2. above shall be used by the Contractor for costs incurred, on or after June 30, 2016 – the date DHHS approved the Region 2 IDN Application, and such costs are incurred by the Contractor to achieve metrics associated with the projects in the IDN's approved Project Plan or to sustain the metrics achieved through the Region 2 IDN's approved Project Plan and for otherwise allowable uses of incentive funds as described by DHHS in the Integrated Delivery Network (IDN) Application.

   4.1.4. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *ii.*, based on the Region 2 IDN's share of attributed Medicaid beneficiaries, DHHS shall allocate and make payment to the Contractor of a proportional share of the IDN Transformation Fund, upon the IDN's successful submission and DHHS approval of the IDN's Project Plan. The attribution of Medicaid beneficiaries for this purpose shall be set by DHHS and considered final for the remainder of the contract period; the attribution shall not be negotiable by the Contractor.

   4.1.5. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. b)., for calendar years 2017 through 2020, DHHS shall allocate the maximum amount of incentive funding annually available to be earned by the Region 2 IDN. Payment is conditional upon the Contractor's compliance with the Semi-Annual Reporting for IDN Project Achievement requirements specified in Exhibit L-1, or the latest CMS approved version thereof. DHHS shall make semi-annual incentive payments to the Contractor in accordance with the incentive payment methodology specified in Exhibit L-1, or

Exhibit B

the latest CMS approved version thereof. Payment of the maximum amount of funding available is not guaranteed.

4.1.6. Funds paid to the IDNs are a combination of Federal Funds and previously appropriated State General Funds, drawn down by the State in accordance with the Special Terms and Conditions and all of the applicable protocols approved by CMS of New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1.* The Department has been authorized to date to accept and expend $44.7 million through June 30, 2017. The Department's authority to disburse additional waiver funds above this amount is contingent upon receipt of further legislative approval.

5. The services described in Exhibit A, Scope of Services, are funded with 50% General funds, and 50% Federal funds made available under:

CFDA #:	93.778
Federal Agency:	U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services
Program Title:	Medical Assistance Programs
FAIN:	TBD

6. Reporting

6.1. Upon DHHS and CMS approval of the Region 2 IDN's final IDN Project Plans, the Contractor shall submit quarterly expenditure reports within thirty (30) calendar days of each calendar year quarter for the remaining contract period. These reports shall identify variances in actual expenditures versus the final IDN Project Plan; the Contractor shall include written explanations for all such variances.

6.2. Contractor inquiries regarding allocations and payments made by DHHS to the Contractor shall be directed by the Contractor to the DHHS designee:

Athena Gagnon, Senior Medicaid Financial Manager
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
Email: agagnon@dhhs.state.nh.us

7. Notwithstanding anything to the contrary herein, the Contractor agrees that payments under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been 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 Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

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

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

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

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

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

16. **Equal Employment Opportunity Plan (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 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.

   4.1 The Department shall not make payment to the Contractor until federal waiver funds sufficient for such payment are made available to the Department through the federal claiming process under the terms and conditions of New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1.

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

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

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

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

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

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

3. Subparagraph 6. Retroactive Payments, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with:

   6. **Reserved**.

4. Subparagraph 7. Conditions of Purchase, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   7. **Reserved**.

5. Subparagraph 12. Completion of Services, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   12. **Completion of Services:** Disallowance of Costs: Upon the Department's fulfillment of the payments required in subparagraph 4.1 Payment Schedule of Exhibit B of this Contract, 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 continue until the end of the term of this Contract, provided however, that if, upon review of the Final Expenditure Report the Department disallows any expenses claimed by the Contractor as costs that are not allowable under the New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, 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.

6. **Agreement Elements:**

   6.1 The Agreement between the parties shall consist of the following, in descending order of precedence:

   6.1.1 General Provisions (P-37);
   6.1.2 Exhibit A Scope of Services;
   6.1.3 Exhibit B Methods and Conditions Precedent to Payment;
   6.1.4 Exhibit C Special Provisions;
   6.1.5 Exhibit C-1 Revisions to Special Provisions;
   6.1.6 Exhibit D Certification Regarding Drug-Free Workplace Requirements;
   6.1.7 Exhibit E Certification Regarding Lobbying;
   6.1.8 Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters;
   6.1.9 Exhibit G Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections;
   6.1.10 Exhibit H Certification Regarding Environmental Tobacco Smoke;
   6.1.11 Exhibit I Health Insurance Portability Act Business Associate Agreement;
   6.1.11 Exhibit J Certification Regarding the Federal Funding Accountability and Transparency Act (FFATA) Compliance;
   6.1.12 Exhibit K and K-1 IDN Administrative Lead and Member Entity Certificates of Authorization;
   6.1.13 Exhibit L-1 through L-2 New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1 Documents and IDN Application, revisions thereof, or the later DHHS and CMS approved version thereof, including Attachments, incorporated by reference; and
   6.1.14 RFP-2016-OCOM-05-BUILD

   6.2 In the event of any conflict or contradiction between or among the Agreement documents, the document higher in the order of precedence shall control.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

Contractor Name: Concord Hospital Inc

7/22/2016
Date

Name: Robert P Steigmeyer
Title: President + CEO

CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Concord Hospital Inc

7/22/2016
Date

Name: Robert P Steigmayer
Title: President + CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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

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

PRIMARY COVERED TRANSACTIONS

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

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Concord Hospital Inc

7/22/2016
Date

Name: Robert P Steigmeyer
Title: President + CEO

Contractor Initials KM
Date 7-22-16

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.

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: Concord Hospital Inc

7/22/2016
Date

Name: Robert P Steigmeyer
Title: President + CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Concord Hospital Inc

7/22/2016
Date

Name: Robert P Steigmeyer
Title: President + CEO

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

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

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

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

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

(3) Obligations and Activities of Business Associate.

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

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

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

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

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

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

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

The State	Concord Hospital Inc
Signature of Authorized Representative	Signature of Authorized Representative
Jeffrey Meyers	Robert P Steigmeyer
Name of Authorized Representative	Name of Authorized Representative
Commissioner	President + CEO
Title of Authorized Representative	Title of Authorized Representative
7.27.16.	7/22/2016
Date	Date

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

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Concord Hospital Inc

7/22/2016
Date

Name: Robert P Steigmeyer
Title: President + 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: 07-3977399

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: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that _____ is a member of
(Administrative Lead)

_____, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that _____ fully understands its obligations as
(Administrative Lead)

Administrative Lead for _____ and
(IDN Name)

assumes full responsibility for any and all obligations and liabilities as Administrative Lead for _____ pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

_____
Signature of Elected/Appointed Officer

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____
(Name of individual signing on behalf of Administrative Lead)

or satisfactorily proven to be _____ and
(Name of individual signing on behalf of Administrative Lead)

acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____
Notary Public/Justice of the Peace

My Commission Expires: _____

7-22-16

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Member Entity

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Member Entity)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Member Entity)

2) I hereby certify that _____, as a member of the
(Member Entity)

_____ Integrated Delivery Network
(IDN Name)

hereby authorizes _____ to act on our behalf
(Administrative Lead)

as the Administrative Lead for _____ IDN
(IDN Name)

and further authorizes _____ to enter into
(Administrative Lead)

contracts, receive and distribute funds, and perform all other actions required as the Administrative Lead for _____ IDN
(IDN Name)

pursuant to the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

3) The statements in this authorization are accurate and binding, and remain in full force and effect as of the date of this document.

4) The undersigned entity, as a member of the

_____understands and agrees that the
(IDN Name)

State of New Hampshire will rely on these statements when contracting with the

_____. This grant of authorization to
(Administrative Lead)

_____ shall be binding through the life of
(Administrative Lead)

the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract and shall survive its termination.

_____
Signature of Elected/Appointed Officer

7-22-16

EXHIBIT K

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____ or
(Name of individual signing on behalf of Member Entity)
satisfactorily proven to be _____ and
(Name of individual signing on behalf of Member Entity)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____

Notary Public/Justice of the Peace

My Commission Expires: _____

7-22-16

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, Robert P. Steigmeyer, hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)
duly elected/appointed President + CEO of Concord Hospital
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that Capital Region Health Care is a member of
(Administrative Lead)
Region 2, a proposed Integrated Delivery
(IDN Name)
Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that Capital Region Health Care fully understands its obligations as
(Administrative Lead)
Administrative Lead for Region 2 and
(IDN Name)
assumes full responsibility for any and all obligations and liabilities as Administrative Lead for Region 2 pursuant to the Building
(IDN Name)
Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

Signature of Elected/Appointed Officer

State of New Hampshire
County of Merrimack

On this 12th day of April, 2016, before the undersigned officer personally appeared the person identified as Robert P. Steigmeyer
(Name of individual signing on behalf of Administrative Lead)
or satisfactorily proven to be Robert P Steigmeyer
(Name of individual signing on behalf of Administrative Lead)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

Notary Public/Justice of the Peace
My Commission Expires: April 18, 2017

CHRISTINA DECATO
MY COMMISSION EXPIRES APRIL 18, 2017
NOTARY PUBLIC NEW HAMPSHIRE

Exhibit L-1

New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, *which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* any CMS approved revisions or the latter thereof are hereby incorporated by reference into this Contract as Exhibit L-1.

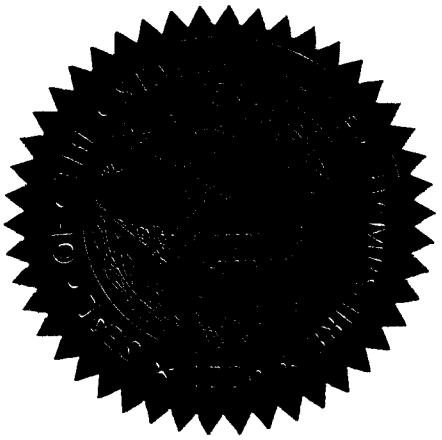
Exhibit L-2

The DHHS Approved IDN Application and Project Plans for the Region 2 IDN are hereby incorporated by reference into this Contract as Exhibit L-2, and any DHHS approved revisions or the latter thereof.

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Concord Hospital, Inc. is a New Hampshire nonprofit corporation formed January 29, 1985. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



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

William M. Gardner
Secretary of State

CERTIFICATE

I, Mary Boucher, Secretary of Concord Hospital, Inc. do hereby certify:

1) I maintain and have custody of and am familiar with the seal and minute books of the corporation;
2) I am authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificates;
3) The following is a true and complete copy of the resolution adopted by the board of trustees of the corporation at a meeting of that board on March 21, 2005 which meeting was held in accordance with the law of the state of incorporation and the bylaws of the corporation:

   The motion was made, seconded and the Board unanimously voted that the powers and duties of the President shall include the execution of all contracts and other legal documents on behalf of the corporation, unless some other person is specifically so designated by the Board, by law, or pursuant to the administrative policy addressing contract and expenditure approval levels.

4) the foregoing resolution is in full force and effect, unamended, as of the date hereof; and
5) the following persons lawfully occupy the offices indicated below:

   Robert P. Steigmeyer, President
   Bruce R. Burns, Chief Financial Officer

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of the Corporation this 22 day of July, 2016.

(Corporate seal)

Mary Boucher
Secretary

State of:

County of:

On this, the 22nd *day of* July, 2016 *before me a notary public, the undersigned officer, personally appeared* Mary Boucher, *known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he/she executed the same for the purposes therein contained.*
In witness hereof, I hereunto set my hand and official seal.

(Seal) KATHLEEN G. LAMONTAGNE MY COMMISSION EXPIRES NOV. 13, 2020 NOTARY PUBLIC NEW HAMPSHIRE

Kathleen G Lamontagne
Notary Public

My Commission expires: 11-18-20

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/10/2015

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

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

PRODUCER MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com 319078-CHS-gener-16-17	**CONTACT NAME:** **PHONE (A/C, No, Ext):** **FAX (A/C, No):** **E-MAIL ADDRESS:**
INSURED CAPITAL REGION HEALTHCARE CORPORATION & CONCORD HOSPITAL, INC. ATTN: JESSICA FANJOY 250 PLEASANT STREET CONCORD, NH 03301	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** Granite Shield Insurance Exchange **INSURER B :** **INSURER C :** **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** NYC-007229110-34 **REVISION NUMBER:** 1

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [ ] PRO-JECT [ ] LOC OTHER:			GSIE-PRIM-2016-101	01/01/2016	01/01/2017	EACH OCCURRENCE	$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$ 12,000,000
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR **EXCESS LIAB** CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [N] N/A If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability			GSIE-PRIM-2016-101	01/01/2016	01/01/2017		SEE ABOVE

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

GENERAL LIABILITY AND PROFESSIONAL LIABILITY SHARE A COMBINED LIMIT OF 2,000,000/12,000,000. HOSPITAL PROFESSIONAL LIABILITY RETRO ACTIVE-DATE 6/24/1985.

CERTIFICATE HOLDER

NH DEPARTMENT OF HEALTH &
HUMAN SERVICES
105 PLEASANT STREET
CONCORD, NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Susan Molloy — Susan Molloy

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Client#: 243089 CAPITALREG

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 03/04/2016

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

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

PRODUCER	CONTACT NAME: Jessica Kelley
HUB Healthcare Solutions HUB International New England 299 Ballardvale Street Wilmington, MA 01887	PHONE (A/C, No, Ext): 978-661-6233 FAX (A/C, No): E-MAIL ADDRESS: jessica.kelley@hubinternational.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
INSURED Capital Region Healthcare Corporation Concord Hospital 250 Pleasant Street Concord, NH 03301	INSURER A: Safety National Casualty Corp INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	☐ CLAIMS-MADE ☐ OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$
	☐ POLICY ☐ PRO-JECT ☐ LOC							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ☐ NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N			SP4053897	10/01/15	10/01/17	X WC STATU-TORY LIMITS ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐	N / A					E.L. EACH ACCIDENT	$1,000,000
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			SIR $500,000			E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000

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

CERTIFICATE HOLDER

State of New Hampshire
Department of Health and
Human Services
105 Pleasant Street
Concord, NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

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JS008

Concord Hospital Mission Statement

Concord Hospital is a charitable organization
which exists to meet the health needs of individuals
within the communities it serves.

It is the established policy of Concord Hospital to provide services on the sole basis of the medical necessity of such services as determined by the medical staff without reference to race, color, ethnicity, national origin, sexual orientation, marital status, religion, age, gender, disability, or inability to pay for such services.

Approved by Board of Trustees 10-21-02; Reaffirmed by Board 11-23-03, 11-15-04, 11-21-05, 11-20-06, 11-19-07, 11-17-08, 11-16-09, 10-18-10, 9-19-11, 9-24-12, 9-23-13, 9-22-14, 9-28-15

BAKER NEWMAN NOYES

Baker Newman & Noyes, LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Concord Hospital, Inc.

We have audited the accompanying consolidated financial statements of Concord Hospital, Inc. and Subsidiaries (the System), which comprise the consolidated balance sheets as of September 30, 2015 and 2014, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of September 30, 2015 and 2014, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
December 7, 2015

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2015 and 2014

ASSETS
(In thousands)

	2015	2014
Current assets:		
Cash and cash equivalents	$ 8,096	$ 12,953
Short-term investments	7,395	12,390
Accounts receivable, less allowance for doubtful accounts of $12,605 in 2015 and $16,339 in 2014	55,104	46,896
Due from affiliates	325	438
Supplies	1,382	1,443
Prepaid expenses and other current assets	5,945	5,927
Total current assets	78,247	80,047
Assets whose use is limited or restricted:		
Board designated	251,927	263,225
Funds held by trustee for workers' compensation reserves and self-insurance escrows	11,282	10,499
Donor-restricted	34,304	34,932
Total assets whose use is limited or restricted	297,513	308,656
Other noncurrent assets:		
Due from affiliates, net of current portion	2,001	2,428
Bond issuance costs and other assets	14,781	24,613
Total other noncurrent assets	16,782	27,041
Property and equipment:		
Land and land improvements	5,878	5,370
Buildings	182,833	175,689
Equipment	226,193	214,922
Construction in progress	12,515	10,414
	427,419	406,395
Less accumulated depreciation	(278,714)	(255,381)
Net property and equipment	148,705	151,014
	$ 541,247	$ 566,758

LIABILITIES AND NET ASSETS
(In thousands)

	2015	2014
Current liabilities:		
Short-term notes payable	$ 2,412	$ 1,912
Accounts payable and accrued expenses	29,742	20,448
Accrued compensation and related expenses	27,042	25,829
Accrual for estimated third-party payor settlements	14,323	15,033
Current portion of long-term debt	8,337	8,131
Total current liabilities	81,856	71,353
Long-term debt, net of current portion	95,018	103,495
Accrued pension and other long-term liabilities	81,688	78,191
Total liabilities	258,562	253,039
Net assets:		
Unrestricted	248,381	278,787
Temporarily restricted	14,860	15,089
Permanently restricted	19,444	19,843
Total net assets	282,685	313,719
	$ 541,247	$ 566,758

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2015 and 2014
(In thousands)

	2015	2014
Unrestricted revenue and other support:		
Net patient service revenue, net of contractual allowances and discounts	$438,572	$442,951
Provision for doubtful accounts	(16,839)	(32,476)
Net patient service revenue less provision for doubtful accounts	421,733	410,475
Other revenue	23,599	23,387
Disproportionate share revenue	3,497	5,099
Net assets released from restrictions for operations	1,648	1,354
Total unrestricted revenue and other support	450,477	440,315
Operating expenses:		
Salaries and wages	193,080	186,457
Employee benefits	52,220	48,346
Supplies and other	81,719	76,206
Purchased services	64,046	61,668
Professional fees	3,491	2,670
Depreciation and amortization	24,532	25,397
Medicaid enhancement tax	12,800	16,437
Interest expense	3,879	4,057
Total operating expenses	435,767	421,238
Income from operations	14,710	19,077
Nonoperating income:		
Unrestricted gifts and bequests	204	218
Investment income and other	11,386	9,923
Total nonoperating income	11,590	10,141
Excess of revenues and nonoperating income over expenses	$ 26,300	$ 29,218

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2015 and 2014
(In thousands)

	2015	2014
Unrestricted net assets:		
Excess of revenues and nonoperating income over expenses	$ 26,300	$ 29,218
Net unrealized (losses) gains on investments	(23,982)	2,627
Net transfers from affiliates	372	312
Net assets released from restrictions used for purchases of property and equipment	82	62
Pension adjustment	(33,178)	(16,378)
(Decrease) increase in unrestricted net assets	(30,406)	15,841
Temporarily restricted net assets:		
Restricted contributions and pledges	2,492	1,157
Restricted investment income	990	984
Contributions to affiliates and other community organizations	(140)	(146)
Net unrealized (losses) gains on investments	(1,841)	383
Net assets released from restrictions for operations	(1,648)	(1,354)
Net assets released from restrictions used for purchases of property and equipment	(82)	(62)
(Decrease) increase in temporarily restricted net assets	(229)	962
Permanently restricted net assets:		
Restricted contributions and pledges	182	1,211
Unrealized (losses) gains on trusts administered by others	(581)	392
(Decrease) increase in permanently restricted net assets	(399)	1,603
(Decrease) increase in net assets	(31,034)	18,406
Net assets, beginning of year	313,719	295,313
Net assets, end of year	$282,685	$313,719

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2015 and 2014
(In thousands)

	2015	2014
Cash flows from operating activities:		
(Decrease) increase in net assets	$ (31,034)	$ 18,406
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Restricted contributions and pledges	(2,674)	(2,368)
Depreciation and amortization	24,532	25,397
Net realized and unrealized losses (gains) on investments	16,731	(12,123)
Bond premium amortization	(141)	(154)
Provision for doubtful accounts	16,839	32,476
Equity in earnings of affiliates, net	(6,804)	(6,121)
Gain on disposal of property and equipment	(79)	(55)
Pension adjustment	33,178	16,378
Changes in operating assets and liabilities:		
Accounts receivable	(25,047)	(33,311)
Supplies, prepaid expenses and other current assets	43	(234)
Other assets	9,738	(6,279)
Due from affiliates	540	497
Accounts payable and accrued expenses	9,294	(1,374)
Accrued compensation and related expenses	1,213	2,536
Accrual for estimated third-party payor settlements	(710)	434
Accrued pension and other long-term liabilities	(29,681)	(2,289)
Net cash provided by operating activities	15,938	31,816
Cash flows from investing activities:		
Increase in property and equipment, net	(22,049)	(20,148)
Purchases of investments	(48,852)	(50,714)
Proceeds from sales of investments	48,801	26,381
Equity distributions from affiliates	6,803	6,377
Net cash used by investing activities	(15,297)	(38,104)
Cash flows from financing activities:		
Payments on long-term debt	(8,130)	(7,932)
Change in short-term notes payable	500	885
Restricted contributions and pledges	2,132	2,282
Net cash used by financing activities	(5,498)	(4,765)
Net decrease in cash and cash equivalents	(4,857)	(11,053)
Cash and cash equivalents at beginning of year	12,953	24,006
Cash and cash equivalents at end of year	$ 8,096	$ 12,953

See accompanying notes.

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Concord Hospital, Inc., (the Hospital) located in Concord, New Hampshire, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient, emergency care and physician services for residents within its geographic region. Admitting physicians are primarily practitioners in the local area. The Hospital is controlled by Capital Regional Health Care Corporation (CRHC).

In 1985, the then Concord Hospital underwent a corporate reorganization in which it was renamed and became CRHC. At the same time, the Hospital was formed as a new entity. All assets and liabilities of the former hospital, now CRHC, with the exception of its endowments and restricted funds, were conveyed to the new Hospital. The endowments were held by CRHC for the benefit of the Hospital, which is the true party in interest. Effective October 1, 1999, CRHC transferred these funds to the Hospital.

In March 2009, Concord Hospital created The Concord Hospital Trust (the Trust), a separately incorporated, not-for-profit organization to serve as the Hospital's philanthropic arm. In establishing the Trust, the Hospital transferred philanthropic permanent and temporarily restricted funds, including board designated funds, endowments, indigent care funds and specific purpose funds, to the newly formed organization together with the stewardship responsibility to direct monies available to support the Hospital's charitable mission and reflect the specific intentions of the donors who made these gifts. Concord Hospital and the Trust constitute the Obligated Group at September 30, 2015 and 2014 to certain debt described in Note 6.

Subsidiaries of the Hospital include:

Capital Region Health Care Development Corporation (CRHCDC) is a not-for-profit real estate corporation that owns and operates medical office buildings and other properties.

Capital Region Health Ventures Corporation (CRHVC) is a not-for-profit corporation that engages in health care delivery partnerships and joint ventures. It operates ambulatory surgery and diagnostic facilities in cooperation with other entities.

CH/DHC, Inc. d/b/a Dartmouth-Hitchcock-Concord (CH/DHC) is a not-for-profit corporation that provides clinical medical services through a multi-specialty group practice. CH/DHC was formed under a joint agreement between the Hospital and DH-Concord. The joint agreement terminated effective September 30, 2015.

The Hospital, its subsidiaries and the Trust are collectively referred to as the System. The consolidated financial statements include the accounts of the Hospital, the Trust, CRHCDC, CRHVC and CH/DHC. All significant intercompany balances and transactions have been eliminated in consolidation.

1. Description of Organization and Summary of Significant Accounting Policies

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1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts, including estimated uncollectible amounts from uninsured patients. The Hospital's investment portfolio consists of diversified investments, which are subject to market risk, including estimated uncollectible amounts from uninsured parties. The Hospital's investment in one fund, the State Street S&P 500 CTF, exceeded 10% of total Hospital investments as of September 30, 2015 and 2014.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds and secured repurchase agreements with original maturities of three months or less, excluding assets whose use is limited or restricted.

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

Supplies

Supplies are carried at the lower of cost, determined on a weighted-average method, or market.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under workers' compensation reserves and self-insurance escrows, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues and nonoperating income over expenses unless the income is restricted by donor or law. Gains and losses on investments are computed on a specific identification basis. Unrealized gains and losses on investments are excluded from the excess of revenues and nonoperating income over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe the declines are other-than-temporary.

Beneficial Interest in Perpetual Trusts

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

Investment Policies

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

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

Temporarily restricted funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

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

Management of these assets is designed to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Spending Policy for Appropriation of Assets for Expenditure

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

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System has a current spending policy on various funds currently equivalent to 5% of twelve-quarter moving average of the funds' total market value.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records a provision for doubtful accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The System's allowance for doubtful accounts for self-pay patients represented 68% and 87% of self-pay accounts receivable at September 30, 2015 and 2014, respectively. The total provision for the allowance for doubtful accounts was $16,839 and $32,476 for the years ended September 30, 2015 and 2014, respectively. The System also allocates a portion of the allowance and provision for doubtful accounts to charity care, which is not recorded as revenue. The System's self-pay bad debt writeoffs decreased $10,978, from $32,496 in 2014 to $21,518 in 2015. The reduction in bad debt writeoffs between 2015 and 2014 was primarily a result of significantly improved collection trends and certain shifts in payor mix.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Property and Equipment

Property and equipment is stated at cost at time of purchase, or at fair value at time of donation for assets contributed, less any reductions in carrying value for impairment and less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the related assets over their estimated useful lives. For the years ended September 30, 2015 and 2014, depreciation expense was $24,437 and $25,336, respectively.

The System has also capitalized certain costs associated with property and equipment not yet in service. Construction in progress includes amounts incurred related to major construction projects, other renovations, and other capital equipment purchased but not yet placed in service. There was no interest capitalized during 2015 and 2014.

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

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the grant expenditures are incurred.

Bond Issuance Costs/Original Issue Discount or Premium

Bond issuance costs incurred to obtain financing for construction and renovation projects and the original issue discount or premium are being amortized by the straight-line method, which approximates the effective interest method, over the life of the respective bonds. The original issue discount or premium is presented as a component of bonds payable.

Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates (Note 11). Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Funds received from gifts and grants to subsidize charity services provided for the years ended September 30, 2015 and 2014 were approximately $473 and $349, respectively.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

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 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 as either net assets released from restrictions for operations (for noncapital related items) or as net assets released from restrictions used for purchases of property and equipment (capital related items). Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

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

Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur. For the years ended September 30, 2015 and 2014, net patient service revenue in the accompanying consolidated statements of operations (decreased) increased by approximately $(3,106) and $2,914, respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

Revenues from the Medicare and Medicaid programs accounted for approximately 31% and 4% and 27% and 3% of the System's net patient service revenue for the years ended September 30, 2015 and 2014, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation.

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for doubtful accounts related to uninsured patients in the period the services are provided.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and intentions to give are reported at fair value at the date the condition is met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets.

Excess of Revenues and Nonoperating Income Over Expenses

The System has deemed all activities as ongoing, major or central to the provision of health care services and, accordingly, they are reported as operating revenue and expenses, except for unrestricted contributions and pledges, the related philanthropy expenses and investment income which are recorded as nonoperating income.

The consolidated statements of operations also include excess of revenues and nonoperating income over expenses. Changes in unrestricted net assets which are excluded from excess of revenues and nonoperating income over expenses, consistent with industry practice, include the change in net unrealized gains and losses on investments other than trading securities or losses considered other than temporary, permanent transfers of assets to and from affiliates for other than goods and services, pension liability adjustments and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Estimated Workers' Compensation and Health Care Claims

The provision for estimated workers' compensation and health care claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Income Taxes

The Hospital, CRHCDC, CRHVC, CH/DHC and the Trust are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. With few exceptions, the System is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2012.

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately $214 and $215 for the years ended September 30, 2015 and 2014, respectively.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07). ASU 2015-07 removes the requirement to include investments in the fair value hierarchy for which fair value is measured using the net asset value per share practical expedient under ASC 820. ASU 2015-07 is effective for the System's fiscal year ending September 30, 2018 with early adoption permitted. The System has elected to implement ASU 2015-07 in its 2015 consolidated financial statements (with retroactive application to 2014 disclosures) which is allowed under the pronouncement. The adoption of this pronouncement did not materially affect the consolidated financial statements. See Notes 4 and 14.

In April 2015, the FASB issued ASU No. 2015-03, *Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). ASU 2015-03 simplifies the presentation of debt issuance costs and requires that the debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for the System's fiscal year ending September 30, 2017 with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2015-03 on the System's consolidated financial statements.

Subsequent Events

Management of the System evaluated events occurring between the end of the System's fiscal year and December 7, 2015, the date the consolidated financial statements were available to be issued.

2. Transactions With Affiliates

The System provides funds to CRHC and its affiliates which are used for a variety of purposes. The System records the transfer of funds to CRHC and the other affiliates as either receivables or directly against net assets, depending on the intended use and repayment requirements of the funds. Generally, funds transferred for start-up costs of new ventures or capital related expenditures are recorded as charges against net assets. For the years ended September 30, 2015 and 2014, transfers made to CRHC were $(77) and $(125), respectively, and transfers received from Capital Region Health Services Corporation (CRHSC) were $449 and $437, respectively.

A brief description of affiliated entities is as follows:

- CRHSC is a for-profit provider of health care services, including an eye surgery center and assisted living facility.
- Concord Regional Visiting Nurse Association, Inc. and Subsidiary (CRVNA) provides home health care services.
- Riverbend, Inc. provides behavioral health services.

(In thousands)

2. Transactions With Affiliates (Continued)

Amounts due the System, primarily from joint ventures, totaled $2,326 and $2,866 at September 30, 2015 and 2014, respectively. Amounts have been classified as current or long-term depending on the intentions of the parties involved. Beginning in 1999, the Hospital began charging interest on a portion of the receivables ($892 and $931 at September 30, 2015 and 2014, respectively) with principal and interest (6.75% at September 30, 2015) payments due monthly. Interest income amounted to $62 and $64 for the years ended September 30, 2015 and 2014, respectively.

Contributions to affiliates and other community organizations from temporarily restricted net assets were $140 and $146 in 2015 and 2014, respectively.

3. Investments and Assets Whose Use is Limited or Restricted

Short-term investments totaling $7,395 and $12,390 at September 30, 2015 and 2014, respectively, are comprised primarily of cash and cash equivalents. Assets whose use is limited or restricted are carried at fair value and consist of the following at September 30:

	2015	2014
Board designated funds:		
Cash and cash equivalents	$ 7,694	$ 2,598
Fixed income securities	32,547	38,060
Marketable equity and other securities	194,948	199,507
Inflation-protected securities	16,738	23,060
	251,927	263,225
Held by trustee for workers' compensation reserves:		
Fixed income securities	3,803	3,749
Health insurance and other escrow funds:		
Cash and cash equivalents	960	961
Fixed income securities	1,337	1,259
Marketable equity securities	5,182	4,530
	7,479	6,750
Donor restricted:		
Cash and cash equivalents	3,392	3,450
Fixed income securities	2,607	2,946
Marketable equity securities	15,737	15,487
Inflation-protected securities	1,341	1,785
Trust funds administered by others	10,489	11,070
Other	738	194
	34,304	34,932
	$297,513	$308,656

(In thousands)

3. **Investments and Assets Whose Use is Limited or Restricted (Continued)**

Included in marketable equity and other securities above are $111,063 and $111,693 at September 30, 2015 and 2014, respectively, in so called alternative investments. See also Note 14.

Investment income, net realized gains and losses and net unrealized gains and losses on assets whose use is limited or restricted, cash and cash equivalents, and other investments are as follows at September 30:

	2015	2014
Unrestricted net assets:		
Interest and dividends	$ 3,885	$ 3,173
Investment income from trust funds administered by others	546	533
Net realized gains on sales of investments	8,955	7,987
	13,386	11,693
Restricted net assets:		
Interest and dividends	272	250
Net realized gains on sales of investments	718	734
	990	984
	$ 14,376	$12,677
Net unrealized (losses) gains on investments:		
Unrestricted net assets	$ (23,982)	$ 2,627
Temporarily restricted net assets	(1,841)	383
Permanently restricted net assets	(581)	392
	$ (26,404)	$ 3,402

In compliance with the System's spending policy, portions of investment income and related fees are recognized in other operating revenue on the accompanying consolidated statements of operations. Investment income reflected in other operating revenue was $1,709 and $1,693 in 2015 and 2014, respectively.

Investment management fees expensed and reflected in nonoperating income were $896 and $884 for the years ended September 30, 2015 and 2014, respectively.

(In thousands)

3. Investments and Assets Whose Use is Limited or Restricted (Continued)

The following summarizes the Hospital's gross unrealized losses and fair values, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2015 and 2014:

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2015						
Marketable equity securities	$32,230	$ (3,745)	$28,960	$ (10,675)	$ 61,190	$ (14,420)
Fund-of-funds	19,073	(1,158)	31,712	(4,865)	50,785	(6,023)
	$51,303	$ (4,903)	$60,672	$ (15,540)	$111,975	$ (20,443)
2014						
Marketable equity securities	$ 1,188	$ (142)	$34,834	$ (1,687)	$ 36,022	$ (1,829)
Fund-of-funds	17,772	(1,191)	16,417	(1,370)	34,189	(2,561)
	$18,960	$ (1,333)	$51,251	$ (3,057)	$ 70,211	$ (4,390)

In evaluating whether investments have suffered an other-than-temporary decline, based on input from outside investment advisors, management evaluated the amount of the decline compared to cost, the length of time and extent to which fair value has been less than cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year, estimated future fair values and the System's intent and ability to hold the security until a recovery in fair value or maturity. Based on evaluations of the underlying issuers' financial condition, current trends and economic conditions, management believes there are no securities that have suffered an other-than-temporary decline in value at September 30, 2015 and 2014.

4. Defined Benefit Pension Plan

The System has a noncontributory defined benefit pension plan (the Plan), covering all eligible employees of the System and subsidiaries. The Plan is a cash balance plan that provides benefits based on an employee's years of service, age and the employee's compensation over those years. The System's funding policy is to contribute annually the amount needed to meet or exceed actuarially determined minimum funding requirements of the *Employee Retirement Income Security Act of 1974* (ERISA).

The System accounts for its defined benefit pension plan under ASC 715, *Compensation Retirement Benefits*. This Statement requires entities to recognize an asset or liability for the overfunded or underfunded status of their benefit plans in their financial statements.

(In thousands)

4. Defined Benefit Pension Plan (Continued)

The following table summarizes the Plan's funded status at September 30, 2015 and 2014:

	2015	2014
Pension benefits:		
Fair value of plan assets	$ 165,053	$ 151,055
Projected benefit obligation	(229,888)	(199,121)
	$ (64,835)	$ (48,066)
Activities for the year consist of:		
Benefit payments and administrative expenses	$ 7,562	$ 7,556
Net periodic benefit cost	10,590	9,333

The table below presents details about the System's defined benefit pension plan, including its funded status, components of net periodic benefit cost, and certain assumptions used in determining the funded status and cost:

	2015	2014
Change in benefit obligation:		
Benefit obligation at beginning of year	$199,121	$172,761
Service cost	9,562	8,447
Interest cost	9,270	9,052
Actuarial loss	21,989	16,417
Benefit payments and administrative expenses paid	(7,562)	(7,556)
Plan amendment	(2,492)	–
Benefit obligation at end of year	$229,888	$199,121
Change in plan assets:		
Fair value of plan assets at beginning of year	$151,055	$131,706
Actual return on plan assets	(5,440)	8,205
Employer contributions	27,000	18,700
Benefit payments and administrative expenses paid	(7,562)	(7,556)
Fair value of plan assets at end of year	$165,053	$151,055
Funded status and amount recognized in noncurrent liabilities at September 30	$ (64,835)	$ (48,066)

(In thousands)

4. Defined Benefit Pension Plan (Continued)

Amounts recognized as a change in unrestricted net assets during the years ended September 30, 2015 and 2014 consist of:

	2015	2014
Net actuarial loss	$39,736	$19,115
Net amortized loss	(4,099)	(2,770)
Prior service credit amortization	33	33
Plan amendment	(2,492)	–
Total amount recognized	$33,178	$16,378

In June 2015, the plan was amended effective January 1, 2016 to change the factors used to convert a cash balance account into a monthly annuity, expand eligibility for the lump payment option and modify eligibility for an annual cash balance pay credit. These changes are reflected within the projected benefit obligation at September 30, 2015. Also in 2015, the System began to use the RP-2015 mortality tables, which in general have longer life expectancies than the older tables used, which had an impact on the projected benefit obligation.

Pension Plan Assets

The fair values of the System's pension plan assets as of September 30, 2015 and 2014, by asset category are as follows (see Note 14 for level definitions). In accordance with ASU 2015-07, certain investments that are measured using the net value per share practical expedient have not been classified in the fair value hierarchy. See Note 1.

	2015 Level 1	2014 Level 1
Short-term investments:		
Money market funds	$ 12,036	$ 19,389
Equity securities:		
Common stocks	8,244	8,040
Mutual funds – international	16,770	13,288
Mutual funds – domestic	7,682	3,742
Mutual funds – natural resources	3,439	6,585
Fixed income securities:		
Mutual funds – REIT	680	685
Mutual funds – fixed income	23,321	23,312
	72,172	75,041
Funds measured at net asset value:		
Equity securities:		
Common collective trust	$ 27,873	$ 24,154
Funds-of-funds	54,601	41,224
Fixed income securities:		
Funds-of-funds	4,367	4,545
Hedge funds:		
Inflation hedge	6,040	6,091
Total investments at fair value	$165,053	$151,055

(In thousands)

4. Defined Benefit Pension Plan (Continued)

The target allocation for the System's pension plan assets as of September 30, 2015 and 2014, by asset category are as follows:

	2015		2014	
	Target Allocation	Percentage of Plan Assets	Target Allocation	Percentage of Plan Assets
Short-term investments	0-20%	7%	0-20%	13%
Equity securities	40-80%	71	40-80%	64
Fixed income securities	5-80%	18	5-80%	19
Other	0-30%	4	0-30%	4

The funds-of-funds are invested with eight investment managers and have various restrictions on redemptions. Four of the managers holding amounts totaling approximately $28 million at September 30, 2015 allow for monthly redemptions, with notices ranging from 6 to 15 days. Three managers holding amounts totaling approximately $27 million at September 30, 2015 allow for quarterly redemptions, with a notice of 45 or 65 days. One of the managers holding amounts of approximately $5 million at September 30, 2015 allows for annual redemptions, with a notice of 90 days. Certain funds also may include a fee estimated to be equal to the cost the fund incurs in converting investments to cash (ranging from 0.5% to 1.5%).

The System considers various factors in estimating the expected long-term rate of return on plan assets. Among the factors considered include the historical long-term returns on plan assets, the current and expected allocation of plan assets, input from the System's actuaries and investment consultants, and long-term inflation assumptions. The System's expected allocation of plan assets is based on a diversified portfolio consisting of domestic and international equity securities, fixed income securities, and real estate.

The System's investment policy for its pension plan is to balance risk and returns using a diversified portfolio consisting primarily of high quality equity and fixed income securities. To accomplish this goal, plan assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The System monitors the maturities of fixed income securities so that there is sufficient liquidity to meet current benefit payment obligations. The System's Investment Committee provides oversight of the plan investments and the performance of the investment managers.

Amounts included in expense during fiscal 2015 and 2014 consist of:

	2015	2014
Components of net periodic benefit cost:		
Service cost	$ 9,562	$ 8,447
Interest cost	9,270	9,052
Expected return on plan assets	(12,307)	(10,903)
Amortization of prior service cost and gains and losses	4,065	2,737
Net periodic benefit cost	$ 10,590	$ 9,333

(In thousands)

4. Defined Benefit Pension Plan (Continued)

The accumulated benefit obligations for the plan at September 30, 2015 and 2014 were $217,825 and $187,040, respectively.

	2015	2014
Weighted average assumptions to determine benefit obligation:		
Discount rate	4.78%	4.78%
Rate of compensation increase	2.00	2.00
Weighted average assumptions to determine net periodic benefit cost:		
Discount rate	4.78%	5.38%
Expected return on plan assets	8.00	8.00
Cash balance credit rate	5.00	5.00
Rate of compensation increase	2.00	2.00

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

The loss and prior service credit amount expected to be recognized in net periodic benefit cost in 2016 are as follows:

Actuarial loss	$ 6,156
Prior service credit	(276)
	$ 5,880

The System funds the pension plan and no contributions are made by employees. The System funds the plan annually by making a contribution of at least the minimum amount required by applicable regulations and as recommended by the System's actuary. However, the System may also fund the plan in excess of the minimum required amount.

Cash contributions in subsequent years will depend on a number of factors including performance of plan assets. However, the System expects to fund $16,000 in cash contributions to the plan for the 2016 plan year.

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year Ended September 30	Pension Benefits
2016	$ 9,556
2017	11,501
2018	12,368
2019	13,567
2020	14,830
2021 – 2025	87,166

5. Estimated Third-Party Payor Settlements

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

Medicare

Inpatient and outpatient services rendered to Medicare program beneficiaries are primarily paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. In addition to this, the System is also reimbursed for medical education and other items which require cost settlement and retrospective review by the fiscal intermediary. Accordingly, the System files an annual cost report with the Medicare program after the completion of each fiscal year to report activity applicable to the Medicare program and to determine any final settlements.

The physician practices are reimbursed on a fee screen basis.

Disproportionate Share Payments and Medicaid Enhancement Tax

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of net patient service revenues, with certain exclusions. The amount of tax incurred by the System for fiscal 2015 and 2014 was $12,800 and $16,437, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded within unrestricted revenue and other support and amounted to $3,497 and $5,099 in 2015 and 2014, respectively.

The Centers for Medicare and Medicaid Services (CMS) has undertaken an audit of the State's program and the DSH payments made by the State in 2011, the first year that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. At the date of these consolidated financial statements, CMS's audit was substantially complete, and the System has recorded reserves to address its exposure based on the preliminary audit results. Due to the uncertainty related to any potential audit of the State program and DSH payments made for years after 2011, no amounts have been reflected in the accompanying consolidated financial statements related to these contingencies.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under fee schedules and cost reimbursement methodologies subject to various limitations or discounts. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid program.

The physician practices are reimbursed on a fee screen basis.

(In thousands)

5. Estimated Third-Party Payor Settlements (Continued)

Other

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

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated balance sheets represents the estimated net amounts to be paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provision. Settlements for the Hospital have been finalized through 2013 and 2012 for Medicare and Medicaid, respectively.

6. Long-Term Debt and Notes Payable

Long-term debt consists of the following at September 30, 2015 and 2014:

	2015	2014
2.0% to 5.0% New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds, Concord Hospital Issue, Series 2013A; due in annual installments, including principal and interest ranging from $1,543 to $3,555 through 2043, including unamortized original issue premium of $3,308 in 2015 and $3,429 in 2014	$ 45,538	$ 46,714
1.71% fixed rate NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013B; due in annual installments, including principal and interest ranging from $1,860 to $3,977 through 2024	24,024	27,550
1.3% to 5.6% NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2011; due in annual installments, including principal and interest ranging from $2,737 to $5,201 through 2026, including unamortized original issue premium of $213 in 2015 and $233 in 2014	33,793	37,362
	103,355	111,626
Less current portion	(8,337)	(8,131)
	$ 95,018	$103,495

In February 2013, $48,631 (including an original issue premium of $3,631) of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013A, were issued to assist in the funding of a significant facility improvement project and to advance refund the Series 2001 NHHEFA Hospital Revenue Bonds. The facility improvement project included enhancements to the System's power plant, renovation of certain nursing units, expansion of the parking capacity at the main campus and various other routine capital expenditures and miscellaneous construction, renovation and improvements of the System's facilities.

(In thousands)

6. Long-Term Debt and Notes Payable (Continued)

In April 2013, $32,421 of NHHEFA Revenue Bonds, Concord Hospital Issues, Series 2013B, were issued to advance refund the Series 2004 NHHEFA Hospital Revenue Bonds. These were redeemed in full during 2014.

In March 2011, $49,795 of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2011, were issued to assist in the funding of a significant facility improvement project and pay off the Series 1996 Revenue Bonds. The project included expansion and renovation of various Hospital departments, infrastructure upgrades, and acquisition of capital equipment.

Substantially all the property and equipment relating to the aforementioned construction and renovation projects, as well as subsequent property and equipment additions thereto, and a mortgage lien on the facility, are pledged as collateral for the Series 2011 and 2013A and B Revenue Bonds. In addition, the gross receipts of the Hospital are pledged as collateral for the Series 2011 and 2013A and B Revenue Bonds. The most restrictive financial covenants require a 1.10 to 1.0 ratio of aggregate income available for debt service to total annual debt service and a day's cash on hand ratio of 75 days. The Hospital was in compliance with its debt covenants at September 30, 2015 and 2014.

The obligations of the Hospital under the Series 2013A and B and Series 2011 Revenue Bond Indentures are not guaranteed by any of the subsidiaries or affiliated entities.

Interest paid on long-term debt amounted to $3,934 and $4,138 for the years ended September 30, 2015 and 2014, respectively.

The aggregate principal payments on long-term debt for the next five fiscal years ending September 30 and thereafter are as follows:

2016	$ 8,337
2017	8,570
2018	8,822
2019	9,061
2020	7,385
Thereafter	57,659
	$99,834

7. Commitments and Contingencies

Malpractice Loss Contingencies

Prior to February 1, 2011, the System was insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System maintained excess professional and general liability insurance policies to cover claims in excess of liability retention levels. The System has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves total $2,033 and $3,908 at September 30, 2015 and 2014, respectively, and are reflected in the accompanying consolidated balance sheets within accrued pension and other long-term liabilities. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

Effective February 1, 2011, the System insures its medical malpractice risks through a multiprovider captive insurance company under a claims-made insurance policy. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At September 30, 2015, there were no known malpractice claims outstanding for the System which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required loss accruals. The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The System's interest in the captive represents approximately 30% of the captive. Control of the captive is equally shared by participating hospitals. The System has recorded its interest in the captive's equity, totaling approximately $427 and $420 at September 30, 2015 and 2014, respectively, in other noncurrent assets on the accompanying consolidated balance sheets. Changes in the System's interest are included in nonoperating income on the accompanying consolidated statements of operations.

In accordance with ASU No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2015 and 2014, the Hospital recorded a liability of approximately $7,700 and $19,750, respectively, related to estimated professional liability losses. At September 30, 2015 and 2014, the Hospital also recorded a receivable of $7,700 and $19,750, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other long-term liabilities, and bond issuance costs and other assets, respectively, on the consolidated balance sheets.

Workers' Compensation

The Hospital maintains workers' compensation insurance under a self-insurance plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the Hospital against excessive losses. The Hospital has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of $2,202 and $2,526 at September 30, 2015 and 2014, respectively, have been discounted at 3% (both years) and, in management's opinion, provide an adequate reserve for loss contingencies. A trustee held fund has been established as a reserve under the plan.

(In thousands)

7. Commitments and Contingencies (Continued)

Litigation

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

Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The System recognizes revenue for services provided to employees of the System during the year. The System is insured above a stop-loss amount of $440 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2015 and 2014, have been recorded as a liability of $6,508 and $4,508, respectively, and are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

Operating Leases

The System has various operating leases relative to its office and offsite locations. Future annual minimum lease payments under noncancellable lease agreements as of September 30, 2015 are as follows:

Year Ending September 30:	
2016	$ 4,469
2017	3,849
2018	3,442
2019	3,408
2020	3,057
Thereafter	21,334
	$39,559

Rent expense was $8,127 and $8,156 for the years ended September 30, 2015 and 2014, respectively.

(In thousands)

8. Temporarily and Permanently Restricted Net Assets

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

	2015	2014
Health education and program services	$12,988	$13,604
Capital acquisitions	997	1,195
Indigent care	188	188
For periods after September 30 of each year	687	102
	$14,860	$15,089

Income on the following permanently restricted net asset funds is available for the following purposes at September 30:

	2015	2014
Health education and program services	$16,726	$17,088
Capital acquisitions	803	803
Indigent care	1,810	1,810
For periods after September 30 of each year	105	142
	$19,444	$19,843

9. Patient Service and Other Revenue

Net patient service revenue for the years ended September 30 is as follows:

	2015	2014
Gross patient service charges:		
Inpatient services	$ 425,655	$ 400,259
Outpatient services	553,999	515,503
Physician services	142,521	134,699
Less charitable services	(14,869)	(38,119)
	1,107,306	1,012,342
Less contractual allowances and discounts:		
Medicare	380,166	348,110
Medicaid	119,387	69,545
Other	198,495	181,548
	698,048	599,203
Total Hospital net patient service revenue (net of contractual allowances and discounts)	409,258	413,139
Other entities	29,314	29,812
	$ 438,572	$ 442,951

(In thousands)

9. Patient Service and Other Revenue (Continued)

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for doubtful accounts recognized in 2015 and 2014 from these major payor sources, is as follows for the Hospital. The provision for doubtful accounts for subsidiaries of the Hospital was not significant in 2015 and 2014.

	Hospital			
	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2015				
Private payors (includes coinsurance and deductibles)	$ 445,760	$(198,495)	$ (6,101)	$241,164
Medicaid	133,988	(119,387)	(117)	14,484
Medicare	504,514	(380,166)	(1,682)	122,666
Self-pay	23,044	–	(8,510)	14,534
	$1,107,306	$(698,048)	$(16,410)	$392,848

	Hospital			
	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2014				
Private payors (includes coinsurance and deductibles)	$ 426,874	$(181,548)	$ (9,337)	$235,989
Medicaid	85,624	(69,545)	(1,049)	15,030
Medicare	467,071	(348,110)	(1,869)	117,092
Self-pay	32,773	–	(19,465)	13,308
	$1,012,342	$(599,203)	$(31,720)	$381,419

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. Revenue totaling $1,258 and $2,196 associated with these meaningful use attestations was recorded as other revenue for the years ended September 30, 2015 and 2014, respectively. In addition, a receivable amount of $526 and $674 was recorded within prepaid expenses and other current assets at September 30, 2015 and 2014, respectively.

(In thousands)

10. Functional Expenses

The System provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	2015	2014
Health care services	$328,916	$313,042
General and administrative	65,640	62,305
Depreciation and amortization	24,532	25,397
Medicaid enhancement tax	12,800	16,437
Interest expense	3,879	4,057
	$435,767	$421,238

Fundraising related expenses were $829 and $751 for the years ended September 30, 2015 and 2014, respectively.

11. Charity Care and Community Benefits (Unaudited)

The Hospital maintains records to identify and monitor the level of charity care it provides. The Hospital provides traditional charity care, as well as other forms of community benefits. The cost of all such benefits provided is as follows for the years ended September 30:

	2015	2014
Community health services	$ 2,096	$ 2,098
Health professions education	4,268	3,814
Subsidized health services	30,096	30,691
Research	94	89
Financial contributions	1,030	948
Community building activities	44	53
Community benefit operations	128	96
Charity care costs (see Note 1)	6,132	16,666
	$43,888	$54,455

In addition, the Hospital incurred costs for services to Medicare and Medicaid patients in excess of the payment from these programs of $80,268 and $70,152 in 2015 and 2014, respectively.

(In thousands)

12. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents of southern New Hampshire and are insured under third-party payor agreements. The mix of gross receivables from patients and third-party payors as of September 30 is as follows:

	2015	2014
Patients	13%	14%
Medicare	33	35
Anthem Blue Cross	13	14
Cigna	5	6
Medicaid	13	11
Commercial	22	19
Workers' compensation	1	1
	100%	100%

13. Volunteer Services (Unaudited)

Total volunteer service hours received by the Hospital were approximately 37,000 in 2015 and 37,300 in 2014. The volunteers provide various nonspecialized services to the Hospital, none of which has been recognized as revenue or expense in the accompanying consolidated statements of operations.

14. Fair Value Measurements

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

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

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

(In thousands)

14. Fair Value Measurements (Continued)

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

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. There have been no changes in the methodologies used at September 30, 2015 and 2014. In accordance with ASU 2015-07, certain investments that are measured using the net value per share practical expedient have not been classified in the fair value hierarchy, which is a change from the 2014 presentation. See Note 1.

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

	Level 1	Level 2	Level 3	Total
2015				
Cash and cash equivalents	$ 19,441	$ –	$ –	$ 19,441
Fixed income securities	40,294	–	–	40,294
Marketable equity and other securities	58,210	–	–	58,210
Inflation-protected securities and other	8,028	–	–	8,028
Trust funds administered by others	–	–	10,489	10,489
	$125,973	$ –	$10,489	136,462
Funds measured at net asset value:				
Marketable equity and other securities				157,657
Inflation-protected securities and other				10,789
				$304,908
2014				
Cash and cash equivalents	$ 19,399	$ –	$ –	$ 19,399
Fixed income securities	46,014	–	–	46,014
Marketable equity and other securities	55,964	–	–	55,964
Inflation-protected securities and other	14,159	–	–	14,159
Trust funds administered by others	–	–	11,070	11,070
	$135,536	$ –	$11,070	146,606
Funds measured at net asset value:				
Marketable equity and other securities				163,560
Inflation-protected securities and other				10,880
				$321,046

The System's Level 3 investments consist of funds administered by others. The fair value measurement is based on significant unobservable inputs.

(In thousands)

14. Fair Value Measurements (Continued)

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

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for 2015 and 2014:

	Trust Funds Administered by Others
Balance at September 30, 2013	$10,678
Net realized and unrealized gains	392
Balance at September 30, 2014	11,070
Net realized and unrealized losses	(581)
Balance at September 30, 2015	$10,489

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

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
September 30, 2015:				
Funds-of-funds	$50,786	$ –	Monthly	6 – 15 days
Funds-of-funds	51,056	–	Quarterly	45 – 65 days
Funds-of-funds	9,221	–	Annual	90 days
September 30, 2014:				
Funds-of-funds	$61,418	$ –	Monthly	5 – 15 days
Funds-of-funds	41,275	–	Quarterly	45 – 65 days
Funds-of-funds	9,000	–	Annual	90 days

Investment Strategies

Fixed Income Securities

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

14. Fair Value Measurements (Continued)

Marketable Equity and Other Securities

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

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

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

Inflation-Protected Securities

The primary purpose of inflation-protected securities is to provide protection against the negative effects of inflation.

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts and pledges receivable, accounts payable and accrued expenses, estimated third-party payor settlements, and long-term debt and notes payable. The fair value of all financial instruments other than long-term debt and notes payable approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. The fair value of the System's long-term debt and notes payable is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements. The carrying value and fair value of the System's long-term debt and notes payable amounted to $103,355 and $121,963, respectively, at September 30, 2015, and $111,626 and $132,106, respectively, at September 30, 2014.

CONCORD HOSPITAL
BOARD OF TRUSTEES
2016

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Diane E. Wood Allen, RN (ex-officio, CH Chief Nursing Officer)
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Mary Boucher, **Secretary**
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Jeffrey Towle
Claudia Walker

Treasurer (not Member of the Board):
Bruce Burns

1/16

RESUME

ROBERT P. STEIGMEYER

Career History:

1/2014 – Present	Capital Region Health Care and Concord Hospital Concord, NH	President and CEO
2012 – 12/2013	Geisinger Community Medical Center Scranton, PA	CEO
2010 – 2012	Community Medical Center Healthcare System Scranton, PA	President and CEO
2005 – 2010	Northwest Hospital & Medical Center Seattle, WA	Senior Vice President- Operations & Finance
1993 – 2005	ECG Management Consultants Seattle, WA	Principal/Shareholder Senior Manager Manager
1989 – 1993	Ernst & Young St. Louis, MO	Manager Senior Consultant Consultant

Educational Background:

1989	Master of Health Administration Master of Business Administration St. Louis University
1985	Bachelor of Arts Wabash College

Key Personnel List

New Hampshire Department of Health and Human Services

Administrative Lead: Concord Hospital
Region Number: 2

A	B	C
Name of Individual	**Title**	**Annual Salary**
Robert P. Steigmeyer	President + CEO	Greater than $400K

Subject: IDN Administrative Lead (RFP-2016-OCOM-05-BUILD-03)

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 Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Southern New Hampshire Health		1.4 Contractor Address 8 Prospect Street Nashua, NH 03060	
1.5 Contractor Phone Number (603) 577-2342	1.6 Account Number 05-95-47-470010-52010000	1.7 Completion Date June 30, 2021	1.8 Price Limitation $135,000,000
1.9 Contracting Officer for State Agency Eric B. Borrin, Director		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Paul L. Trainor SVP Finance/CFO	

1.13 Acknowledgement: State of New Hampshire, County of Hillsborough

On July 25, 2016, 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] Tara M. Sargent

TARA M. SARGENT NOTARY PUBLIC STATE OF NEW HAMPSHIRE - MY COMMISSION EXPIRES FEBRUARY 8, 2017

1.13.2 Name and Title of Notary or Justice of the Peace

Tara M. Sargent, Paralegal

1.14 State Agency Signature Date: 7-27-16	1.15 Name and Title of State Agency Signatory 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: Megan A. Yorke-Attorney	On: 8/5/16
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

Contractor Initials PLT
Date 7/25/2016

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 $1,000,000per 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.

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Date 7/25/2016

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 PLT
Date 7/25/2016

Scope of Services

1. Provisions Applicable to All Services

1.1. Language Assistance Services

The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. Future Legislative Action

The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Contract Period

The contract resulting from this RFP will be effective August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

1.4. Administrative Lead Contractual Role

The Contractor is the Administrative Lead for the Integrated Delivery Network (IDN) for Region 3 , described as Nashua, under the Department of Health and Human Services Delivery System Reform Incentive Payment Program. The Contractor shall understand and assume full responsibility for any and all obligations and liabilities as the Administrative Lead for the Region 3 IDN pursuant to this Contract and in compliance with the Special Terms and Conditions issued by the Centers for Medicare and Medicaid Services (CMS) for the *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1, which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* which are hereby incorporated by reference into this Contract as Exhibit L-1.

As the Administrative Lead, the Contractor shall act on behalf of the members organizations, documented in Exhibit K-1 of this Contract, of the Region 3 IDN, including entering this Contract, and receiving and distributing funds provided through this Contract, and in accordance with the Region 3 IDN's governance and management structure, as outlined in the IDN's approved Project Plan.

1.5. DHHS Approved IDN Application and Project Plans

The DHHS Approved IDN Application and Project Plans for the Region 3 IDN are hereby incorporated by reference into this Agreement as Exhibit L-2, and any DHHS approved revisions or the latter thereof. The Contractor shall provide services under this Agreement and consistent with these IDN-specific documents, in addition to the documents referenced in subsection 1.4 herein.

2. Statement of Work

2.1. Goals and Expectations for IDN

2.1.1. Composition and Region Served

2.1.1.1. The IDN shall be made up of multiple community-based social service organizations, hospitals, county facilities, primary care providers, and behavioral health providers (both mental health and substance use disorder). The Contractor shall ensure that it establishes with and maintains a clear business relationship between the IDN's component providers, including a joint budget and funding distribution plan that specifies the methodology for distributing funding to participating providers within the IDN. The funding distribution plan must comply with all applicable laws and regulations.

2.1.1.2. The IDN shall serve the geographic region designated by DHHS as Region 3.

2.1.1.3. The parties acknowledge and understand that IDN's member organizations are permitted to participate in multiple IDNs and are not limited to participation in the Region 3 IDN.

2.1.2. Partnering

2.1.2.1. The Contractor shall ensure that IDN member organizations partner with each other within the Region 3 IDN to design and implement DHHS and CMS approved projects, specific to New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1,* to build behavioral health (mental health and substance use disorder) capacity, promote integration of primary care and behavioral health, facilitate smooth transitions in care, and prepare for alternative payment models.

2.1.2.2. The Contractor shall ensure that the Region 3 IDN provides the full spectrum of care and related social services that might be needed by an individual with a behavioral health (mental health and/or substance use disorder) condition. At a minimum, the IDN shall include the following provider types as member organizations:

a. Primary care practices and facilities, serving the majority of Medicaid beneficiaries;
b. Substance use disorder (SUD) providers, including recovery providers, serving the majority of Medicaid beneficiaries;
c. Representation from Regional Public Health Networks;
d. One or more Regional Community Mental Health Centers;
e. Peer-based support and/or community health workers from across the full spectrum of care;
f. One or more hospitals;
g. One or more Federally Qualified Health Centers, Community Health Centers or Rural Health Clinics where available within a defined region;
h. Multiple community-based organizations that provide social and support services reflective of the social determinants of health for a variety of populations, such as transportation, housing, employment services,

financial assistance, childcare, veterans services, community supports, legal assistance, etc.

i. County facilities, such as nursing facilities and correctional institutions.

2.1.3. Goals

2.1.3.1. The Region 3 IDN shall build greater behavioral health capacity, improve integration of physical and behavioral health, and improve care transitions for Medicaid beneficiaries. Under this Contract, the achievement of these goals shall be supported by the IDN's ability to earn performance-based fiscal incentive payments for achieving specified process milestones and clinical outcome metric targets. These shall be achieved in compliance with the IDN's DHHS and CMS approved IDN application and Project Plan.

2.1.4. Administrative Functions

2.1.4.1. The Contractor shall fulfill the reporting and project management responsibilities described in its DHHS and CMS approved IDN Application, including at minimum: capturing, integrating and consolidating data from IDN partner organization as part of the periodic reporting to DHHS throughout the Contract Period. This shall include but not be limited to associated process and outcome metrics that must be reported for each calendar year 2017 through 2020 (Demonstration years 2 through 5) on a semi-annual basis for each stated goal or objective of a project undertaken as part of this Agreement. DHHS reserves the right to designate that some or all reporting requirements utilize standardized reporting forms and at minimum, those required by CMS. The Contractor shall utilize all required DHHS and CMS approved standardized reporting forms; any other reporting formats used by the Contractor shall be subject to DHHS approval.

2.1.4.2. The Contractor shall apply financial processes and controls to maintain its financial stability and ability, throughout the Contract Period, to ensure that transparency and accountability in the management and distribution of waiver funding to the IDN's partner organizations is achieved.

2.1.4.3. The Contractor shall ensure that the IDN participates in Alternative Payment Models that are adopted by DHHS with Medicaid Service delivery and Medicaid managed care plans.

2.1.4.4. The Contractor shall ensure that the Contractor and its IDN partner organizations participate in and collaborate with DHHS designees and agents of DHHS that are assigned to perform and fulfill certain roles and responsibilities under New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1*, including but not limited to the: Independent Assessor, Learning Collaborative leader, Demonstration Health Information Technology Taskforce leader, Demonstration Workforce Capacity leader, and Independent Evaluator, upon DHHS request.

3. Staffing

3.1. Minimum Staffing Requirements

3.1.1. The Contractor shall provide adequate numbers of professionally qualified staff to perform all required contracted services. At minimum, this shall include staff to fulfill the contractual responsibilities specified in Exhibit L-2, the IDN's DHHS approved application, and as required in Exhibits L-1.

3.1.2. The Contractor shall guarantee that all personnel providing the services required by the Contract are qualified to perform their assigned tasks and possess the appropriate professional certification and licensing that may be required by state and federal laws, rules and regulations.

3.1.3. DHHS shall be advised of, and approve in writing, any permanent or temporary changes to or deletions from the Contractor's key personnel who directly impact the management and provision of the contracted services described herein. This requirement shall not extend to the key personnel of the IDN's partner organizations unless such individuals also hold a role required of the Administrative Lead as specified in Exhibit L-1.

4. Compliance

4.1. Delegation and Subcontractors

4.1.1. The Contractor shall identify, and provide advance notice to DHHS, of any and all subcontractors to be utilized in fulfillment of its contractual responsibilities. DHHS reserves the right to accept or reject the use of any subcontractor.

4.2. Compliance with Federal Regulations

4.2.1. The Contractor shall ensure that the delivery of services shall be completed in compliance with the following Federal regulations:

4.2.1.1. Medicaid -42 U.S.C. §1396 et seq (Title XIX Social Security Act);

4.2.1.2. Managed Care Reporting-42 U.S.C. §438 et seq;

4.2.1.3. Transparency-42 C.F.R. 431.412;

4.2.1.4. American with Disabilities Act of 1990;

4.2.1.5. Title VI of the Civil Rights Act of 1964;

4.2.1.6. Section 504 of the Rehabilitation Act of 1973; and

4.2.1.7. Age Discrimination Act of 1975.

Exhibit B

Method and Conditions Precedent to Payment

1. The Contractor understands and agrees that no minimum or maximum payment to the Contractor is guaranteed by this Agreement. The Contractor understands and agrees that all payments under this Agreement are contingent upon the criteria set forth in Section 4 Payment and Funding Allocation of this Exhibit B. The Contractor understands and agrees that the Price Limitation identified in Block 1.8 of the General Provisions (P-37) represents the combined maximum possible payment for all Contractors for the duration of the Agreement. The Contractor understands and agrees that in no event shall the total amount of payments to all Contractors under *New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1* exceed the Price Limitation identified in Block 1.8 of the General Provisions (P-37).

    1.1. The Contractor, acting on behalf of the Integrated Delivery Network (IDN) serving Region 3, described as Nashua, shall be recognized by the Department of Health and Human Services (DHHS) as the Administrative Lead of this IDN. Payments to the Contractor are in the Contractor's official capacity as Administrative Lead for this IDN.

        1.1.1. Payments to the Contractor are in support of the approved IDN activities and projects authorized under this Agreement during the Contract Period. The Contractor shall distribute such payments to the Region 3 IDN's member organizations in accordance with its governance documents.

    1.2. The Contractor shall ensure that the Contractor and member organizations in the Region 3 IDN complete and execute an applicable Certificate of Authorization, as specified in Exhibit K.

        1.2.1. The Contractor shall provide to DHHS a notarized original of such Certificates executed by the Contractor upon the Contractor's execution of this Agreement. All such Certificates shall be contained in Exhibit K-1.

        1.2.2. Within ten (10) calendar days of a member organization joining the Region 3 IDN, the Contractor shall provide to DHHS a notarized original of the applicable Certificate, referenced in 1.2. above, that has been executed by a duly authorized representative of the member organization. Additionally, the Contractor shall provide to DHHS a notarized original of a Certificate of Vote/Authorization, issued by the member organization's leadership body that conferred such authorization.

        1.2.3. Should any member organization cease participation in the IDN during the Contract Period, the Contractor shall provide the Department a notarized copy of the withdrawal document developed by the Contractor and the organization within ten (10) calendar days of withdrawal of participation in the IDN, and the Contractor shall certify that the Contractor is acting in accordance with the plan specified in Exhibit L-2 for such withdrawals.

        1.2.4. The Contractor shall not disburse any funds from this contract to a member organization of the Region 3 IDN until such time as the applicable Certificates referenced in 1.2.2. above are executed and provided to DHHS.

Exhibit B

2. Contract period: August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

3. The Contractor understands and agrees that payments made under this Agreement are for the Contractor's fulfillment of the duties and responsibilities specified in this Agreement.

4. **Payment and Funding Allocation**:

   Payments made under this Agreement shall be determined by DHHS in accordance with the payment methodology stated in Exhibit L-1, New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, Attachment D, DSRIP Program Funding and Mechanics Protocol, any revisions thereof, or the latest version as approved by the Centers for Medicare and Medicaid Services (CMS). DHHS determinations shall not be negotiable by the Contractor.

   4.1. Payment Schedule

   4.1.1. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, DHHS shall make a payment to the Contractor on behalf of the approved Region 3 IDN. This payment shall be in the amount of $1,392,857.

   4.1.2. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, based on the Region 3 IDN's share of attributed Medicaid beneficiaries, DHHS shall make payment of $1,270,907 to the Contractor. The attribution of Medicaid beneficiaries for this payment purpose shall be set by DHHS and shall not be negotiable by the Contractor.

   4.1.3. The payments specified in Subsections 4.1.1. and 4.1.2. above shall be used by the Contractor for costs incurred, on or after June 30, 2016 – the date DHHS approved the Region 3 IDN Application, and such costs are incurred by the Contractor to achieve metrics associated with the projects in the IDN's approved Project Plan or to sustain the metrics achieved through the Region 3 IDN's approved Project Plan and for otherwise allowable uses of incentive funds as described by DHHS in the Integrated Delivery Network (IDN) Application.

   4.1.4. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *ii.*, based on the Region 3 IDN's share of attributed Medicaid beneficiaries, DHHS shall allocate and make payment to the Contractor of a proportional share of the IDN Transformation Fund, upon the IDN's successful submission and DHHS approval of the IDN's Project Plan. The attribution of Medicaid beneficiaries for this purpose shall be set by DHHS and considered final for the remainder of the contract period; the attribution shall not be negotiable by the Contractor.

   4.1.5. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. b)., for calendar years 2017 through 2020, DHHS shall allocate the maximum amount of incentive funding annually available to be earned by the Region 3 IDN. Payment is conditional upon the Contractor's compliance with the Semi-Annual Reporting for IDN Project Achievement requirements specified in Exhibit L-1, or the latest CMS approved version thereof. DHHS shall make semi-annual incentive payments to the Contractor in accordance with the incentive payment methodology specified in Exhibit L-1, or

the latest CMS approved version thereof. Payment of the maximum amount of funding available is not guaranteed.

4.1.6. Funds paid to the IDNs are a combination of Federal Funds and previously appropriated State General Funds, drawn down by the State in accordance with the Special Terms and Conditions and all of the applicable protocols approved by CMS of New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1.* The Department has been authorized to date to accept and expend $44.7 million through June 30, 2017. The Department's authority to disburse additional waiver funds above this amount is contingent upon receipt of further legislative approval.

5. The services described in Exhibit A, Scope of Services, are funded with 50% General funds, and 50% Federal funds made available under:

CFDA #:	93.778
Federal Agency:	U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services
Program Title:	Medical Assistance Programs
FAIN:	TBD

6. Reporting

6.1. Upon DHHS and CMS approval of the Region 3 IDN's final IDN Project Plans, the Contractor shall submit quarterly expenditure reports within thirty (30) calendar days of each calendar year quarter for the remaining contract period. These reports shall identify variances in actual expenditures versus the final IDN Project Plan; the Contractor shall include written explanations for all such variances.

6.2. Contractor inquiries regarding allocations and payments made by DHHS to the Contractor shall be directed by the Contractor to the DHHS designee:

Athena Gagnon, Senior Medicaid Financial Manager
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
Email: agagnon@dhhs.state.nh.us

7. Notwithstanding anything to the contrary herein, the Contractor agrees that payments under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been 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 Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

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

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

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

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

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

16. **Equal Employment Opportunity Plan (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 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.

   4.1 The Department shall not make payment to the Contractor until federal waiver funds sufficient for such payment are made available to the Department through the federal claiming process under the terms and conditions of New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1.

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

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

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

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

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

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

3. Subparagraph 6. Retroactive Payments, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with:

   6. **Reserved.**

4. Subparagraph 7. Conditions of Purchase, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   7. **Reserved.**

5. Subparagraph 12. Completion of Services, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   12. **Completion of Services:** Disallowance of Costs: Upon the Department's fulfillment of the payments required in subparagraph 4.1 Payment Schedule of Exhibit B of this Contract, 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 continue until the end of the term of this Contract, provided however, that if, upon review of the Final Expenditure Report the Department disallows any expenses claimed by the Contractor as costs that are not allowable under the New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, 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.

6. **Agreement Elements:**

   6.1 The Agreement between the parties shall consist of the following, in descending order of precedence:

   6.1.1 General Provisions (P-37);
   6.1.2 Exhibit A Scope of Services;
   6.1.3 Exhibit B Methods and Conditions Precedent to Payment;
   6.1.4 Exhibit C Special Provisions;
   6.1.5 Exhibit C-1 Revisions to Special Provisions;
   6.1.6 Exhibit D Certification Regarding Drug-Free Workplace Requirements;
   6.1.7 Exhibit E Certification Regarding Lobbying;
   6.1.8 Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters;
   6.1.9 Exhibit G Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections;
   6.1.10 Exhibit H Certification Regarding Environmental Tobacco Smoke;
   6.1.11 Exhibit I Health Insurance Portability Act Business Associate Agreement;
   6.1.11 Exhibit J Certification Regarding the Federal Funding Accountability and Transparency Act (FFATA) Compliance;
   6.1.12 Exhibit K and K-1 IDN Administrative Lead and Member Entity Certificates of Authorization;
   6.1.13 Exhibit L-1 through L-2 New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1 Documents and IDN Application, revisions thereof, or the later DHHS and CMS approved version thereof, including Attachments, incorporated by reference; and
   6.1.14 RFP-2016-OCOM-05-BUILD

   6.2 In the event of any conflict or contradiction between or among the Agreement documents, the document higher in the order of precedence shall control.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

See Attached listing.

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

Contractor Name: Southern New Hampshire Health System

7/25/2016
Date

Name: Paul L. Trainor
Title: Senior V.P. Finance/CFO

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: Southern New Hampshire Health System

7/25/2016
Date

Name: Paul L. Trainor
Title: Senior V.P. finance/ CFO

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 (I)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Southern New Hampshire Health System
Contractor Name:

7/25/2016
Date

Name: Paul L. Trainor
Title: Senior V.P. Finance/CFO

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.

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: Southern New Hampshire Health System

7/25/2016
Date

Name: Paul L. Trainor
Title: Senior V.P. Finance/CFO

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: Southern New Hampshire Health System

7/25/2016
Date

Name: Paul L. Trainor
Title: Senior V.P. Finance/CFO

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

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

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

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

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

(3) Obligations and Activities of Business Associate.

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

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

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

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

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

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

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

The State	Southern New Hampshire Health System Name of the Contractor
Jeffrey Meyers Signature of Authorized Representative	Paul L. Trainor Signature of Authorized Representative
Jeffrey Meyers Name of Authorized Representative	Paul L. Trainor Name of Authorized Representative
Commissioner Title of Authorized Representative	Senior V.P. Finance/CFO Title of Authorized Representative
7.27.16 Date	7/25/2016 Date

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

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

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

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

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

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

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

Contractor Name:

7/25/2016
Date

Name: Paul L. Trainor
Title: Senior V.P. Finance/CFO

FORM A

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

1. The DUNS number for your entity is: 07-397-1772

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

   X NO _____ YES

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

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

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

   _____ NO _____ YES

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

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

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

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that _____ is a member of
(Administrative Lead)

_____, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that _____ fully understands its obligations as
(Administrative Lead)

Administrative Lead for _____ and
(IDN Name)

assumes full responsibility for any and all obligations and liabilities as Administrative Lead for _____ pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

_____
Signature of Elected/Appointed Officer

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____
(Name of individual signing on behalf of Administrative Lead)

or satisfactorily proven to be _____ and
(Name of individual signing on behalf of Administrative Lead)

acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____
Notary Public/Justice of the Peace

My Commission Expires: _____

plt
7/25/2016

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Member Entity

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Member Entity)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Member Entity)

2) I hereby certify that _____, as a member of the
(Member Entity)

_____ Integrated Delivery Network
(IDN Name)

hereby authorizes _____ to act on our behalf
(Administrative Lead)

as the Administrative Lead for _____ IDN
(IDN Name)

and further authorizes _____ to enter into
(Administrative Lead)

contracts, receive and distribute funds, and perform all other actions required as the Administrative Lead for _____ IDN
(IDN Name)

pursuant to the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

3) The statements in this authorization are accurate and binding, and remain in full force and effect as of the date of this document.

4) The undersigned entity, as a member of the

_____understands and agrees that the
(IDN Name)

State of New Hampshire will rely on these statements when contracting with the

_____. This grant of authorization to
(Administrative Lead)

_____ shall be binding through the life of
(Administrative Lead)

the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract and shall survive its termination.

_____
Signature of Elected/Appointed Officer

pdt
7/25/2016

EXHIBIT K

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____ or
(Name of individual signing on behalf of Member Entity)
satisfactorily proven to be _____ and
(Name of individual signing on behalf of Member Entity)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____

Notary Public/Justice of the Peace

My Commission Expires: _____

plt
7/25/2016

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, Paul Trainor, hereby certify that I am the duly elected/appointed CFO of Southern New Hampshire Health System.

2) I hereby certify that Southern New Hampshire Health System is a member of Nashua (Region 3), a proposed Integrated Delivery Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that Southern New Hampshire Health System fully understands its obligations as Administrative Lead for Nashua (Region 3) and assumes full responsibility for any and all obligations and liabilities as Administrative Lead for Nashua (Region 3) pursuant to the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

Signature of Elected/Appointed Officer

State of New Hampshire

County of Hillsborough

On this 13th day of July, 2016, before the undersigned officer personally appeared the person identified as Paul Trainor or satisfactorily proven to be Paul Trainor and acknowledged that he executed the foregoing instrument in the capacity indicated above.

Notary Public/Justice of the Peace

My Commission Expires: 2/28/2017

Contractor Initials plt

Date 7/13/2016

TARA M. SARGENT NOTARY PUBLIC STATE OF NEW HAMPSHIRE MY COMMISSION EXPIRES FEBRUARY 8, 2017

Exhibit L-1

New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, *which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* any CMS approved revisions or the latter thereof are hereby incorporated by reference into this Contract as Exhibit L-1.

Exhibit L-2

The DHHS Approved IDN Application and Project Plans for the Region 3 IDN are hereby incorporated by reference into this Contract as Exhibit L-2, and any DHHS approved revisions or the latter thereof.

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 SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC. is a New Hampshire nonprofit corporation formed April 8, 1998. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.

In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 6th day of July A.D. 2016

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Michael S. Rose, do hereby certify that:

1. I am the duly elected Secretary of Southern New Hampshire Health System.

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on July 12, 2016:

   RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, Office of the Commissioner, for the Section 1115(a) Medicaid Demonstration Waiver, #11-W-00301/1.

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 25th day of July, 2016.

4. Paul L. Trainor is the duly elected Chief Financial Officer of the Corporation.

STATE OF NEW HAMPSHIRE
County of Hillsborough

The forgoing instrument was acknowledged before me this 25th day of July, 2016.

By Michael Rose

TARA M. SARGENT NOTARY PUBLIC STATE OF NEW HAMPSHIRE MY COMMISSION EXPIRES FEBRUARY 8, 2017

Tara M. Sargent

Commission Expires: 2/8/2017

SOUTNEW-02 TANGUAYMI

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 7/13/2016

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

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

PRODUCER
Willis of Massachusetts, Inc.
c/o 26 Century Blvd
P.O. Box 305191
Nashville, TN 37230-5191

CONTACT NAME: Willis Towers Watson Certificate Center
PHONE (A/C, No, Ext): (877) 945-7378 FAX (A/C, No): (888) 467-2378
E-MAIL ADDRESS: certificates@willis.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : ProMutual Group	B9486
INSURER B : Sentry Insurance a Mutual Company	24988
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Southern New Hampshire Health System, Inc.
Attn: Barbara Richards
8 Prospect Street
Nashua, NH 03061

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$	1,000,000
	CLAIMS-MADE X OCCUR			002NH000015848	06/01/2016	06/01/2017	DAMAGE TO RENTED PREMISES (Ea occurrence)	$	50,000
							MED EXP (Any one person)	$	5,000
							PERSONAL & ADV INJURY	$	1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$	3,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$	3,000,000
	OTHER:							$	
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$	1,000,000
B	X ANY AUTO			90-15563-02	01/01/2016	01/01/2017	BODILY INJURY (Per person)	$	
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$	
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$	
								$	
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$	10,000,000
A	X EXCESS LIAB X CLAIMS-MADE			002NH000016258	06/01/2016	06/01/2017	AGGREGATE	$	10,000,000
	DED X RETENTION $ 0							$	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						X PER STATUTE OTH-ER		
B	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N/A (Mandatory in NH)			90-15563-01	01/01/2016	01/01/2017	E.L. EACH ACCIDENT	$	1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$	1,000,000
							E.L. DISEASE - POLICY LIMIT	$	1,000,000
A	Physician Prof. Liab			002NH000015848	06/01/2016	06/01/2017	See Attached		

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

CERTIFICATE HOLDER

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

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

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ADDITIONAL COVERAGE SCHEDULE

COVERAGE	LIMITS
POLICY TYPE: Physicians Professional Liability **CARRIER: ProMutual Group** **POLICY TERM: 6/1/2016 - 6/1/2017** **POLICY NUMBER: 002NH000015848**	**Claims Made** **Per Claim of Liability: $1,000,000** **Aggregate: $3,000,000**

southern
new hampshire
health

Mission

Southern New Hampshire Health System is committed to improving, maintaining, and preserving the overall health and well-being of individuals living in the greater Nashua area by providing information, education, and access to exceptional health and medical care services.

8 Prospect Street
Nashua, NH 03060
603.577.2000

snhhealth.org

BAKER NEWMAN NOYES

Baker Newman & Noyes, LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Southern New Hampshire Health System, Inc.

We have audited the accompanying consolidated financial statements of Southern New Hampshire Health System, Inc. (the System), which comprise the consolidated balance sheets as of September 30, 2015 and 2014, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of September 30, 2015 and 2014, and the results of its operations and changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
December 11, 2015

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATED BALANCE SHEETS

September 30, 2015 and 2014

ASSETS

	2015	2014
Current assets:		
Cash and cash equivalents	$ 32,619,166	$ 44,287,290
Accounts receivable, less allowances for doubtful accounts of $11,728,142 in 2015 and $14,390,225 in 2014 (notes 2 and 4)	32,610,008	30,730,791
Inventories	3,696,819	3,210,713
Prepaid expenses and other current assets	6,607,183	4,555,847
Funds held by trustee for current payment of bond principal and interest (notes 5, 7 and 12)	4,235,566	4,184,031
Total current assets	79,768,742	86,968,672
Investments (notes 5 and 12)	68,470,138	61,720,843
Assets whose use is limited (notes 5 and 12):		
Employee benefit plans and other (note 2)	22,886,679	21,720,264
Board designated and donor-restricted	74,065,311	75,259,613
	96,951,990	96,979,877
Property, plant and equipment, net (notes 6, 7 and 10)	128,186,735	128,599,026
Other assets (note 2)	9,087,560	6,953,767
Unamortized financing costs	541,414	584,485
Total assets	$383,006,579	$381,806,670

LIABILITIES AND NET ASSETS

	2015	2014
Current liabilities:		
Accounts payable and other accrued expenses	$ 20,273,907	$ 19,957,723
Accrued compensation and related taxes	23,857,277	24,166,354
Accrued interest payable	2,195,350	2,243,850
Amounts payable to third-party payors (note 3)	9,867,522	11,988,444
Current portion of long-term debt and capital lease obligations	2,433,581	3,342,155
Total current liabilities	58,627,637	61,698,526
Other liabilities (notes 2 and 8)	47,478,809	33,936,968
Long-term debt and capital lease obligations, less current portion (notes 7 and 10)	83,933,425	86,263,857
Net assets:		
Unrestricted	190,535,957	197,467,921
Temporarily restricted	65,238	73,885
Permanently restricted	2,365,513	2,365,513
	192,966,708	199,907,319
Total liabilities and net assets	$383,006,579	$381,806,670

See accompanying notes.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years Ended September 30, 2015 and 2014

	2015	2014
Revenue:		
Net patient service revenue (net of contractual allowances and discounts) (note 3)	$300,051,402	$305,252,094
Provision for bad debts	(13,807,580)	(25,293,476)
Net patient service revenue less provision for bad debts	286,243,822	279,958,618
Disproportionate share hospital revenue (note 13)	4,907,627	1,615,323
Interest and dividends (note 5)	2,051,533	1,340,112
Other revenue (note 3)	10,246,270	11,128,068
Total revenue	303,449,252	294,042,121
Operating expenses (note 9):		
Salaries and wages	157,322,210	152,683,714
Employee benefits (notes 2 and 8)	27,035,675	24,184,462
Supplies and other expenses (note 10)	80,470,718	78,999,751
Depreciation and amortization	13,771,860	14,014,193
New Hampshire Medicaid enhancement tax (note 13)	10,749,745	10,349,872
Interest	4,418,933	4,545,372
Total operating expenses	293,769,141	284,777,364
Income from operations	9,680,111	9,264,757
Nonoperating (losses) gains:		
Investment return (note 5)	(4,811,065)	9,148,881
Contributions, community benefits expense and nonoperating revenues	240,439	71,309
Total nonoperating (losses) gains, net	(4,570,626)	9,220,190
Excess of revenues and nonoperating gains (losses) over expenses	5,109,485	18,484,947
Pension adjustment (note 8)	(12,135,609)	(3,447,079)
Net assets released from restriction for capital purchases	94,160	25,000
(Decrease) increase in unrestricted net assets	(6,931,964)	15,062,868
Contributions of temporarily restricted net assets	95,010	56,666
Net assets released from restriction for capital purchases	(94,160)	(25,000)
Net assets released from restriction for operations	(9,497)	(17,563)
(Decrease) increase in temporarily restricted net assets	(8,647)	14,103
Contributions of permanently restricted net assets	–	10,000
(Decrease) increase in net assets	(6,940,611)	15,086,971
Net assets at beginning of year	199,907,319	184,820,348
Net assets at end of year	$192,966,708	$199,907,319

See accompanying notes.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2015 and 2014

	2015	2014
Operating activities and net gains and losses:		
(Decrease) increase in net assets	$ (6,940,611)	$ 15,086,971
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities and net gains (losses):		
Net realized and unrealized losses (gains) on investments	6,996,744	(7,477,657)
Depreciation and amortization	13,771,860	14,014,193
Restricted gifts and bequests	(95,010)	(66,666)
Pension adjustment	12,135,609	3,447,079
Changes in cash from certain working capital and other items:		
Accounts receivable, net	(1,879,217)	1,404,339
Inventories, prepaid expense and other assets	(3,633,011)	2,269,689
Accounts payable, other accrued expenses and other liabilities	507,501	(2,297,165)
Accrued compensation and related taxes	(309,077)	(269,692)
Amounts payable to third-party payors	(2,120,922)	1,836,808
Net cash provided by operating activities and net gains (losses)	18,433,866	27,947,899
Investing activities:		
Purchases of property, plant and equipment, net	(13,245,717)	(16,668,686)
Increase in funds held by trustee under equipment financing and revenue bond agreements	(51,535)	(42,942)
Net purchase of investments	(13,657,561)	(5,077,888)
Net cash used by investing activities	(26,954,813)	(21,789,516)
Financing activities:		
Restricted gifts and bequests	95,010	66,666
Payment of long-term debt and capital lease obligations	(3,242,187)	(3,228,295)
Net cash used by financing activities	(3,147,177)	(3,161,629)
(Decrease) increase in cash and cash equivalents	(11,668,124)	2,996,754
Cash and cash equivalents at beginning of year	44,287,290	41,290,536
Cash and cash equivalents at end of year	$ 32,619,166	$ 44,287,290

See accompanying notes.

1. Organization

Southern New Hampshire Health System, Inc. is a not-for-profit entity organized under New Hampshire law to support Southern New Hampshire Medical Center (the Medical Center) and Foundation Medical Partners, Inc. (the Foundation), collectively referred to as "the System". Both the Medical Center and the Foundation are not-for-profit entities, established to provide medical services to the people of the greater Nashua area.

2. Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the accounts of the System, which has no separate assets, liabilities, or operations other than its interests in the Medical Center and Foundation which fully eliminate in consolidation. All other significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for the allowance for doubtful accounts, impairment and depreciable lives of long-lived assets, insurance costs, employee benefit plans, contractual allowances, third-party payor settlements and contingencies. It is reasonably possible that actual results could differ from those estimates.

Classification of 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 System 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 noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity.

Except for contributions related to capital purchases, donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

2. Significant Accounting Policies (Continued)

Performance Indicator

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

The consolidated statement of operations and changes in net assets includes excess of revenues and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from excess of revenues and nonoperating gains (losses) over expenses, consistent with industry practice, include pension adjustments, net assets released from restrictions for capital purchases, and transfers to affiliates.

Income Taxes

The System, Medical Center and Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and has taken no uncertain tax positions that require adjustment to the consolidated financial statements. With few exceptions, the System is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2012.

Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in those estimates are reflected in the financial statements in the year in which they occur (see note 3).

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the System provides a discount equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the System records a significant provision for bad debts related to uninsured patients in the period the services are provided.

2. Significant Accounting Policies (Continued)

Charity Care

The System has a formal charity care policy under which patient care is provided without charge or at amounts less than its established rates to patients who meet certain criteria. The System does not pursue collection of amounts determined to qualify as charity care and, therefore, they are not reported as revenue. The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care.

Cash and Cash Equivalents

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

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

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The System's allowance for doubtful accounts was 14% and 17% of accounts receivable as of September 30, 2015 and 2014, respectively. The System's self-pay bad debt writeoffs decreased $8.7 million from $25.2 million for fiscal year 2014 to $16.5 million for fiscal year 2015. The decrease in the bad debt write-offs was a result of an increased number of insured patients from the *Affordable Care Act* and Medicaid expansion.

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost (determined by a weighted average method) or market.

2. Significant Accounting Policies (Continued)

Funds Held by Trustee Under Financing and Revenue Bond Agreements

Funds held by trustee under financing and revenue bond agreements are recorded at fair value and are comprised of short-term investments and United States government obligations.

Investments and Investment Income

Investments are measured at fair value in the balance sheet. Interest and dividend income on unlimited use investments and operating cash is reported within operating revenues. Investment income or loss on assets whose use is limited (including realized and unrealized gains and losses on investments, and interest and dividends) is included in the excess of revenues and nonoperating gains (losses) over expenses as the System has elected to reflect changes in the fair value of investments and assets whose use is limited, including both increases and decreases in value whether realized or unrealized in nonoperating gains or losses unless the income or loss is restricted by donor or law, in which case it is reported as an increase or decrease in temporarily or permanently restricted net assets.

Endowment, Investment and Spending Policies

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

The goal of the board designated funds is to support the System's future capital expenditures and other major program needs, and to generally increase the financial strength of the corporation. In addition to occasional capital expenditures, board designated funds are invested in a prudent manner with regard to preserving principal while providing reasonable returns.

The goal of the endowment funds is to provide a source of financial support to the System's patient care activities. The System appropriates all earnings from the endowment funds to offset the costs of patient care activities according to the intent of the donor. The endowment funds are invested in a prudent manner with regard to preserving principal while providing reasonable returns.

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The System targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objective within prudent risk constraints.

2. Significant Accounting Policies (Continued)

Property and Equipment

The investments in plant assets are stated at cost less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provision for depreciation has been computed using the straight-line method at rates intended to amortize the cost of related assets over their estimated useful lives, which have generally been determined by reference to the recommendations of the American Hospital Association.

Unamortized Financing Costs

Expenses incurred in obtaining long-term financing are being amortized using the straight-line method, which approximates the effective interest method, over the repayment period of the related debt obligation.

Retirement and Deferred Compensation Plans

The Medical Center has a noncontributory defined benefit pension plan that prior to October 8, 2011 covered all qualified employees. The benefits were based on years of service and the employee's average monthly earnings during the period of employment. The Medical Center's policy is to contribute to the plan an amount which meets the funding standards required under the *Employee Retirement Income Security Act of 1974* (ERISA).

The System also sponsors a retirement savings plan available to employees depending upon certain service requirements. Eligible employees can contribute up to 20% of their annual salaries to the plan, and the System provides a tiered matching contribution on the first 6% of the employee contribution. In 2012, the System approved a discretionary employer core contribution with the level to be reviewed annually. Contributions to these plans made by the System and recorded as expense for 2015 and 2014 were $5,668,424 and $5,763,090, respectively.

The System sponsors deferred compensation plans for certain qualifying employees. The amounts ultimately due to the employees are to be paid upon the employees attaining certain criteria, including age. At September 30, 2015 and 2014, approximately $22,135,000 and $20,984,000, respectively, is reflected in both assets whose use is limited and in other long-term liabilities related to such agreements.

Employee Fringe Benefits

The System has an "earned time" plan. Under this plan, each employee "earns" paid leave for each period worked. These hours of paid leave may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee and are paid to the employee upon termination. The System accrues a liability for such paid leave as it is earned.

2. Significant Accounting Policies (Continued)

Malpractice Loss Contingencies

The System has been and is insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System has established a reserve to cover professional liability exposure that may not be covered by prior or current insurance policies. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

At September 30, 2015 and 2014, the System recorded a liability of approximately $4,093,000 and $3,009,000, respectively, related to estimated professional liability losses. At September 30, 2015 and 2014, the System also recorded a receivable of $1,991,000 and $1,042,000, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in other liabilities and other assets, respectively, on the consolidated balance sheets.

Fair Value of Financial Instruments

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

The fair value of all financial instruments other than long-term debt approximates their relative book value as these financial instruments have short-term maturities or are recorded at fair value. See Note 12. The fair value of the System's long-term debt is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements, and is disclosed in Note 7 to the financial statements.

Advertising Expense

Advertising costs are expensed as incurred and totaled approximately $1,476,000 and $1,352,000 in 2015 and 2014, respectively.

Reclassifications

Certain 2014 amounts have been reclassified to permit comparison with the 2015 consolidated financial statements presentation format.

Subsequent Events

Management of the System evaluated events occurring between the end of its fiscal year and December 11, 2015, the date the financial statements were available to be issued to determine whether such events should be recognized or disclosed in the consolidated financial statements.

3. Net Patient Service Revenues

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for bad debts recognized in 2015 and 2014 from these major payor sources, is as follows:

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Services Revenues Less Provision for Bad Debts
2015				
Private payors (includes coinsurance and deductibles)	$309,338,117	$(111,028,005)	$ (7,539,170)	$190,770,942
Medicaid	86,808,631	(69,309,255)	(572,833)	16,926,543
Medicare	244,866,727	(165,267,459)	(3,026,866)	76,572,402
Self-pay	13,066,161	(8,423,515)	(2,668,711)	1,973,935
	$654,079,636	$(354,028,234)	$(13,807,580)	$286,243,822
2014				
Private payors (includes coinsurance and deductibles)	$310,839,491	$(108,018,903)	$ (8,402,737)	$194,417,851
Medicaid	57,180,258	(48,672,393)	(507,708)	8,000,157
Medicare	235,024,321	(157,031,309)	(2,681,027)	75,311,985
Self-pay	25,609,168	(9,678,539)	(13,702,004)	2,228,625
	$628,653,238	$(323,401,144)	$(25,293,476)	$279,958,618

The System maintains contracts with the Social Security Administration (Medicare) and the State of New Hampshire Department of Health and Human Services (Medicaid). The System is paid a prospectively determined fixed price for each Medicare and Medicaid inpatient acute care service depending on the type of illness or the patient diagnostic related group classification. Medicare's payment methodology for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Capital costs and certain Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. The System receives payment for other Medicare and Medicaid inpatient and outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports. The percentage of net patient service revenue earned from the Medicare and Medicaid programs prior to the provision for bad debts was 27% and 6%, respectively, in 2015 and 26% and 3%, respectively, in 2014.

3. Net Patient Service Revenues (Continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoings. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. There is at least a reasonable possibility that recorded amounts could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenue in the year that such amounts become known. Such differences increased net patient service revenue by approximately $2,457,000 and $334,000 for the years ended September 30, 2015 and 2014, respectively.

The System also maintains contracts with Anthem Health Plans of New Hampshire, managed care providers and various other payors which reimburse the System for services based on charges with varying discount levels.

The System does not pursue collection of amounts determined to qualify as charity care, therefore, they are not reported as revenues.

Electronic Health Record Incentive Payments

The Centers for Medicare and Medicaid Services (CMS) Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages as defined by CMS. In 2015 and 2014, the System filed meaningful use attestations with CMS. Revenue totaling $1,120,256 and $2,480,681 associated with these meaningful use attestations were recorded as other revenue for the years ended September 30, 2015 and 2014, respectively.

4. Concentration of Credit Risk

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

	2015	2014
Medicare	30%	29%
Medicaid	14	12
Managed Care	15	15
Anthem Health Plans of New Hampshire	15	13
Commercial Insurance	11	12
Self-pay	15	19
	100%	100%

5. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited, which are recorded at fair value, at September 30, 2015 and 2014, are reported in the accompanying consolidated balance sheet as follows:

	2015	2014
Funds held by trustee – current	$ 4,235,566	$ 4,184,031
Investments	68,470,138	61,720,843
Employee benefit plans and other	22,886,679	21,720,264
Board designated and donor-restricted	74,065,311	75,259,613
	$169,657,694	$162,884,751

The composition of investments and assets whose use is limited at September 30, 2015 and 2014 is set forth in the following table:

	Cost 2015	Fair Value 2015	Cost 2014	Fair Value 2014
Cash and cash equivalents	$ 6,279,242	$ 6,279,242	$ 6,248,107	$ 6,248,107
Fixed income securities	63,560,473	62,235,971	58,014,021	58,147,232
Marketable equity securities	94,711,044	99,131,647	81,480,895	96,029,785
Real estate investment trust	1,116,839	1,118,437	830,191	838,014
Other	1,056,621	892,397	1,935,514	1,621,613
	$166,724,219	$169,657,694	$148,508,728	$162,884,751

See Note 12 for additional information with respect to fair values.

Investments, board designated and donor restricted investments at September 30, 2015 and 2014 are comprised of the following:

	2015	2014
Investments	$ 68,470,138	$ 61,720,843
Board designated for capital, working capital and community service	71,634,560	72,820,215
Donor restricted	2,430,751	2,439,398
	$142,535,449	$136,980,456

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

Unrestricted investment income and realized and unrealized gains (losses) on investments are summarized as follows:

	2015	2014
Operating interest and dividend income	$ 2,051,533	$ 1,340,112
Other interest and dividend income	2,185,679	1,671,224
Net realized and unrealized gains (losses) on investments	(6,996,744)	7,477,657
Nonoperating investment return	(4,811,065)	9,148,881
Total investment return	$(2,759,532)	$10,488,993

All board designated and donor restricted investment income and gains or (losses) including unrealized gains or (losses) are included as part of nonoperating gains, net in the consolidated statement of operations and changes in net assets.

6. Property and Equipment

A summary of property and equipment at September 30, 2015 and 2014 follows:

	2015	2014
Land and land improvements	$ 18,183,781	$ 15,216,840
Buildings and fixed equipment	168,409,770	163,932,507
Major movable equipment	87,615,891	86,366,646
Construction in progress	4,761,132	8,161,203
	278,970,574	273,677,196
Less accumulated depreciation and amortization	(150,783,839)	(145,078,170)
	$ 128,186,735	$ 128,599,026

7. Long-Term Debt

Long-term debt consists of the following at September 30, 2015 and 2014:

	2015	2014
New Hampshire Health and Education Facilities Authority (the Authority):		
Series 2007A Revenue Bonds with interest ranging from 5.0% to 5.25% per year. Principal and sinking fund installments are required in amounts ranging from $2,140,000 to $6,125,000 through October 1, 2037	$86,115,000	$88,055,000
Tax-exempt equipment lease financing with a fixed interest rate of 2.0% with required monthly payments of $96,411 through December 15, 2015	288,270	1,427,029
Unamortized original issue discount	(41,575)	(44,756)
	86,361,695	89,437,273
Capital lease obligations (see Note 10)	5,311	168,739
Less current portion	(2,433,581)	(3,342,155)
	$83,933,425	$86,263,857

The Obligated Group for the Series 2007A bonds is comprised of the System and the Medical Center. However, the System has no revenues, expenses or net assets independent of the Medical Center or the Foundation.

No debt service reserve funds are required under the Series 2007A bonds so long as the Medical Center meets certain debt covenants. The funds held by the trustee under the revenue bond and equipment financing agreements at September 30 are comprised of the following:

	2015	2014
Debt service principal fund	$2,040,106	$1,940,085
Debt service interest fund	2,195,460	2,243,946
Total funds held by trustees	$4,235,566	$4,184,031

The Medical Center's revenue bond agreement with the Authority grants the Authority a security interest in the Medical Center's gross receipts. In addition, under the terms of the master indenture, the Medical Center is required to meet certain covenant requirements. At September 30, 2015, the Medical Center was in compliance with these requirements.

Aggregate annual principal payments required under the bond, equipment financing and capital lease agreements for each of the five years ending September 30, 2020 are approximately $2,434,000, $2,250,000, $2,360,000, $2,485,000 and $2,615,000, respectively.

7. Long-Term Debt (Continued)

In December 2010, the Medical Center entered into a five year $5,500,000 tax-exempt equipment lease financing with the Authority and Bank of America. The proceeds of the financing were held by a trustee, under the terms of an escrow agreement which allowed for withdrawals only for approved purchases of capital equipment. The agreement grants Bank of America security interest in the equipment financed with the proceeds for the duration of the lease.

Interest paid on capital leases and long-term debt totaled $4,467,433 for the year ended September 30, 2015 and $4,591,621 for the year ended September 30, 2014. There was no interest capitalized during the years ended September 30, 2015 and 2014.

The fair value of long-term debt is estimated to be approximately $91,828,107 at September 30, 2015 and $92,152,903 at September 30, 2014.

8. Pension Plan

The following table presents a reconciliation of the beginning and ending balances of the Medical Center's defined benefit pension plan projected benefit obligation and the fair value of plan assets, and funded status of the Plan.

	2015	2014
Changes in benefit obligations:		
Projected benefit obligation, beginning of period	$(68,812,310)	$(62,389,034)
Interest cost	(2,916,464)	(2,930,439)
Benefits paid	1,872,498	1,616,571
Actuarial gain (loss)	(7,469,427)	(5,109,408)
Projected benefit obligations, end of period	$(77,325,703)	$(68,812,310)
Changes in plan assets:		
Fair value of plan assets, beginning of period	$ 58,884,051	$ 53,955,003
Actual return on plan assets	(918,847)	5,261,619
Contributions by plan sponsor	–	1,284,000
Expenses	(450)	–
Benefits paid	(1,872,498)	(1,616,571)
Fair value of plan assets, end of period	$ 56,092,256	$ 58,884,051
Funded status of the Plan	$(21,233,447)	$ (9,928,259)
Net accrued liability	$(21,233,447)	$ (9,928,259)

8. Pension Plan (Continued)

Amounts recognized as pension adjustments in unrestricted net assets at September 30, 2015 and 2014 consist of:

	2015	2014
Net actuarial loss	$35,834,422	$23,698,813

The accumulated benefit obligation as of the Plan's measurement date of September 30, 2015 and 2014, was $77,325,703 and $68,812,310, respectively. In 2015, the Hospital began to use the RP-2015 mortality tables, which in general have longer life expectancies than the former tables used. This had a significant impact on the projected benefit obligation.

The weighted-average assumptions used to determine the pension benefit obligation at September 30, 2015 and 2014 are as follows:

	2015	2014
Discount rate	4.25%	4.25%

Pension Plan Asset Fair Value Measurements

The fair values of the System's pension plan assets as of September 30, 2015 and 2014, by asset category, are as follows (see Note 12 for level definitions):

	Level 1	Level 2	Level 3	Total
2015:				
Pooled separate accounts:				
Money market	$ –	$ 235,688	$ –	$ 235,688
International equity	–	3,826,482	–	3,826,482
Large cap equity	–	17,246,807	–	17,246,807
Mid cap equity	–	5,870,203	–	5,870,203
Small cap equity	–	3,401,455	–	3,401,455
Bond funds	–	25,511,621	–	25,511,621
	$ –	$56,092,256	$ –	$56,092,256
2014:				
Pooled separate accounts:				
Money market	$ –	$ 600,959	$ –	$ 600,959
International equity	–	4,599,972	–	4,599,972
Large cap equity	–	20,775,722	–	20,775,722
Mid cap equity	–	6,155,359	–	6,155,359
Small cap equity	–	3,919,285	–	3,919,285
Bond funds	–	22,832,754	–	22,832,754
	$ –	$58,884,051	$ –	$58,884,051

8. Pension Plan (Continued)

Net periodic pension gain includes the following components for the years ended September 30, 2015 and 2014:

	2015	2014
Interest cost on projected benefit obligation	$ 2,916,464	$ 2,930,439
Expected return on plan assets	(4,348,835)	(4,053,365)
Recognized loss	601,950	454,075
Total gain	$ (830,421)	$ (668,851)

The weighted-average assumptions used to determine net periodic benefit cost at September 30, 2015 and 2014 are as follows:

	2015	2014
Discount rate	4.25%	4.75%
Expected long-term rate of return on plan assets	7.50	7.50

Other changes in plan assets and benefit obligations recognized in adjustments to unrestricted net assets are as follows:

	2015	2014
Net loss	$12,135,609	$3,447,079
Total recognized in net periodic pension benefit cost and adjustment to unrestricted net assets	$11,305,188	$2,778,228

The estimated net loss for the defined benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is $851,571.

Plan Amendments

On August 15, 2011, the Board of Directors of the System resolved to freeze the defined benefit pension plan effective October 8, 2011. Any employee who was a participant of the plan on that date will continue as a participant. No other person will become a participant after that date. Benefits to participants also stopped accruing on October 8, 2011. This amendment impacted the present value of accumulated plan benefits by eliminating the increase due to annual benefit accruals. Also effective October 8, 2011, the System provides qualifying employees with an additional 2% contribution under its existing defined contribution plan to supplement their retirement benefits.

8. Pension Plan (Continued)

Plan Assets

The primary investment objective of the Medical Center's Retirement Plan is to provide pension benefits for its members and their beneficiaries by ensuring a sufficient pool of assets to meet the Plan's current and future benefit obligations. These funds are managed as permanent funds with disciplined longer-term investment objectives and strategies designed to meet cash flow requirements of the Plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

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

The Plan aims to diversify its holdings among sectors, industries and companies. No more than 10% of the Plan's portfolio, excluding U.S. Government obligations and cash, may be held in an individual company's stock or bonds.

A periodic review is performed of the pension plan's investment in various asset classes. The current asset allocation target is 50% to 70% equities, 30% to 50% fixed income, and 0% to 5% cash and other.

The Medical Center's pension plan weighted-average asset allocation at September 30, 2015 and 2014, by asset category is as follows:

	2015	2014
Marketable equity securities	54%	60%
U.S. Government obligations and corporate bonds	46	40
	100%	100%

Contributions

The Medical Center does not have a minimum required contribution for 2016, but expects to voluntarily contribute a minimum of $3,000,000 to its pension plan in 2016.

Estimated Future Benefit Payments

The following benefit payments are expected to be paid as follows:

2016	$ 2,094,996
2017	2,302,939
2018	2,524,597
2019	2,772,831
2020	3,029,506
Years 2021 – 2025	18,666,080

9. Functional Expenses

The Medical Center and the Foundation provide general health care services to residents within their geographic location. Expenses related to providing these services are as follows:

	2015	2014
Health care services	$237,629,768	$230,877,416
General and administrative	56,139,373	53,899,948
	$293,769,141	$284,777,364

10. Leases

The System leases equipment as well as office and storage space for operations under various noncancelable lease agreements. These leases are treated as operating leases and expire at various dates through 2028. Rental expense on all operating leases for the years ended September 30, 2015 and 2014 was $2,000,593 and $1,960,945, respectively.

The System also leases equipment under lease agreements that are classified as capital leases. The cost of equipment under the capital leases was approximately $313,527 and $817,596 at September 30, 2015 and 2014, respectively. Accumulated amortization of the leased equipment at September 30, 2015 and 2014 was approximately $311,746 and $719,881, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense.

Future minimum lease payments required under capital and operating leases and the present value of the net minimum lease payments as of September 30, 2015 are as follows:

	Operating Leases	Capital Leases	Total
Year ending September 30:			
2016	$1,669,536	$ 5,328	$1,674,864
2017	1,447,974	–	1,447,974
2018	1,170,635	–	1,170,635
2019	825,587	–	825,587
2020	506,285	–	506,285
Thereafter	2,815,623	–	2,815,623
Total future minimum lease payments		5,328	$8,440,968
Less amount representing interest		(17)	
Present value of net minimum lease payments		5,311	
Less current maturities of capital lease obligations		(5,311)	
Long-term capital lease obligations		$ –	

11. Community Benefits

In accordance with its mission, the System provides substantial benefits to the southern New Hampshire region. The following community benefits were provided by the System for the years ending September 30, 2015 and 2014:

	Community Benefit Costs	Offsetting Revenues	Net Community Benefit Expense
2015			
Charity care (see note 3)	$ 3,254,956	$ 50,000	$ 3,204,956
Uncompensated care	4,523,975	–	4,523,975
Subsidized care	143,854,346	100,372,111	43,482,235
Cash and in-kind contributions	1,624,778	7,308	1,617,470
Total	$153,258,055	$100,429,419	$52,828,636
2014			
Charity care (see note 3)	$ 4,757,098	$ 60,000	$ 4,697,098
Uncompensated care	8,141,371	–	8,141,371
Subsidized care	126,645,468	86,455,510	40,189,958
Cash and in-kind contributions	2,508,989	509,261	1,999,728
Total	$142,052,926	$ 87,024,771	$55,028,155

Charity care: The System provides care to patients who meet certain criteria under its board established charity care policy without charge or at amounts less than its established rates. The System does not pursue collection of amounts determined to qualify as charity care, therefore, they are not reported as revenues. The estimated costs of caring for charity care patients for the years ended September 30, 2015 and 2014 were approximately $3.2 million and $4.7 million, respectively. Funds received from gifts and grants to subsidize charity services provided for the years ended September 30, 2015 and 2014 were $50,000 and $60,000, respectively.

Uncompensated care: The System provides care to patients without insurance, regardless of their ability to pay. Though the System attempts to assist all patients enrolling in available public assistance programs or qualification under its charity care policy, many patients either fail to comply with administrative requirements, or do not qualify. In these instances, the System attempts to collect for these services. However, the overwhelming majority of these accounts are ultimately uncollectible.

Subsidized care: The System provides services to patients enrolled in public service programs, i.e., Medicare and Medicaid, at rates substantially below cost.

Cash and in-kind contributions: The System supports various community initiatives including healthcare outreach, research and education. Other cash and in-kind contributions can be found in the community benefits report posted on the System's website.

12. Fair Value Measurements

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

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

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

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

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the fiscal years ended September 30, 2015 and 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the System at year end, which results in classification as Level 1 or Level 2 within the fair value hierarchy.

12. Fair Value Measurements (Continued)

Fixed Income Securities

The fair value for debt instruments is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds U.S. governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are classified as Level 1 or Level 2 within the fair value hierarchy.

Employee Benefit Plans

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

Fair Value on a Recurring Basis

The following presents the balances of assets (funds held by trustee, investments and assets whose use is limited) measured at fair value on a recurring basis at September 30, 2015 and 2014:

	Total	Level 1	Level 2	Level 3
2015:				
Cash and cash equivalents	$ 4,412,554	$ 4,412,554	$ –	$ –
Marketable equity securities:				
Large cap	59,565,687	33,842,812	25,722,875	–
Mid cap	10,084,378	3,439,286	6,645,092	–
Small cap	5,429,222	2,625,751	2,803,471	–
International	6,801,656	3,636,640	3,165,016	–
Fixed income securities:				
U.S. Government obligations	13,022,393	6,031,175	6,991,218	–
Corporate bonds	33,112,176	31,580,498	1,531,678	–
Foreign bonds	12,405,433	12,405,433	–	–
Other investments	1,937,516	1,394,243	543,273	–
Employee benefit plans	22,886,679	22,886,679	–	–
	$169,657,694	$122,255,071	$47,402,623	$ –
2014:				
Cash and cash equivalents	$ 4,355,170	$ 4,355,170	$ –	$ –
Marketable equity securities:				
Large cap	56,784,033	30,968,872	25,815,161	–
Mid cap	9,943,550	3,394,082	6,549,468	–
Small cap	5,424,339	2,652,356	2,771,983	–
International	7,227,181	3,632,246	3,594,935	–
Fixed income securities:				
U.S. Government obligations	19,502,912	12,718,821	6,784,091	–
Corporate bonds	21,593,014	20,005,553	1,587,461	–
Foreign bonds	12,197,308	11,200,267	997,041	–
Other investments	4,136,980	3,287,246	849,734	–
Employee benefit plans	21,720,264	21,720,264	–	–
	$162,884,751	$113,934,877	$48,949,874	$ –

12. Fair Value Measurements (Continued)

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

Investment Strategies

Marketable Equity Securities

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

Fixed Income Securities (Debt Instruments)

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

Fair Value of Other Financial Instruments

The following methods and assumptions were used by the System in estimating the "fair value" of other financial instruments in the accompanying consolidated financial statements and notes thereto:

Cash and cash equivalents: The carrying amounts reported in the accompanying consolidated balance sheets for these financial instruments approximate their fair values.

Accounts receivable and accounts payable: The carrying amounts reported in the accompanying consolidated balance sheets approximate their respective fair values due to the short maturities of these instruments.

Long-term debt: The fair value of the notes payable and long-term debt, as disclosed in Note 7, was calculated based upon discounted cash flows through maturity based on market rates currently available for borrowing with similar maturities.

13. Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of the Medical Center's net patient service revenues, with certain exclusions. The amount of the tax incurred by the Medical Center for fiscal 2015 and 2014 was $10,749,745 and $10,349,872, respectively.

The State provides disproportionate share payments (DSH) to hospitals based on a set percentage of uncompensated care provided. The Medical Center received DSH interim funding of $2,398,053 and $3,104,329 for the years ended September 30, 2015 and 2014, respectively. Reserves were established for $359,708 and $309,174 at September 30, 2015 and 2014, respectively, as these payments are subject to the State DSH annual audit and potential redistributions.

Also, during the years ended September 30, 2015 and 2014, the Medical Center participated in the audit of the State's 2011 DSH program. Due to the uncertainty of the results of the State's 2011 DSH audit, the Medical Center reserved approximately $1,180,000 of the payments it received in 2011. The audit results were finalized in the year ended September 30, 2015 and the State has not determined whether the redistribution will occur. The audit results did reflect that a payment is not owed by the Medical Center and, therefore, the $1,180,000 reserve was removed and is reflected in disproportionate share hospital revenue.

The Medical Center and several other New Hampshire hospitals appealed and amended certain MET tax returns with the State. This initial appeal process was settled in May 2013, and included all tax years up to the State's fiscal year ended June 30, 2013. The settlement included a credit to the Medical Center to offset future MET for the fiscal years ended September 30, 2013 and 2014. At September 30, 2014, approximately $369,000 has been recorded and reflected as an asset and was used to offset the tax liability for the year ended September 30, 2015.

BAKER NEWMAN NOYES

Baker Newman & Noyes, LLC
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800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
Southern New Hampshire Health System, Inc.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
December 11, 2015

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATING BALANCE SHEETS

September 30, 2015 and 2014

ASSETS

	2015				2014			
	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.
Current assets:								
Cash and cash equivalents	$ 32,619,166	$ –	$ 33,478,211	$ (859,045)	$ 44,287,290	$ –	$ 44,417,789	$ (130,499)
Accounts receivable, less allowances for doubtful accounts	32,610,008	–	22,050,698	10,559,310	30,730,791	–	21,748,812	8,981,979
Inventories	3,696,819	–	3,358,215	338,604	3,210,713	–	2,878,114	332,599
Prepaid expenses and other current assets	6,607,183	(222,594)	4,202,539	2,627,238	4,555,847	(208,415)	3,213,940	1,550,322
Funds held by trustee for current payment of bond principal and interest	4,235,566	–	4,235,566	–	4,184,031	–	4,184,031	–
Total current assets	79,768,742	(222,594)	67,325,229	12,666,107	86,968,672	(208,415)	76,442,686	10,734,401
Investments	68,470,138	–	68,470,138	–	61,720,843	–	61,720,843	–
Assets whose use is limited:								
Employee benefit plans and other	22,886,679	–	6,563,807	16,322,872	21,720,264	–	5,623,712	16,096,552
Board designated and donor-restricted	74,065,311	–	74,065,311	–	75,259,613	–	75,259,613	–
	96,951,990	–	80,629,118	16,322,872	96,979,877	–	80,883,325	16,096,552
Property, plant and equipment, net	128,186,735	(132,972)	118,110,235	10,209,472	128,599,026	(141,837)	118,093,787	10,647,076
Other assets	9,087,560	(5,268,432)	14,154,815	201,177	6,953,767	(5,492,207)	12,142,419	303,555
Unamortized financing costs	541,414	–	541,414	–	584,485	–	584,485	–
Total assets	$383,006,579	$(5,623,998)	$ 349,230,949	$ 39,399,628	$ 381,806,670	$(5,842,459)	$ 349,867,545	$ 37,781,584

LIABILITIES AND NET ASSETS

	2015				2014			
	Consol-idated	Elimi-nation Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.	Consol-idated	Elimi-nation Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.
Current liabilities:								
Accounts payable and other accrued expenses	$ 20,273,907	$ –	$ 14,390,036	$ 5,883,871	$ 19,957,723	$ –	$ 14,458,793	$ 5,498,930
Accrued compensation and related taxes	23,857,277	–	14,848,952	9,008,325	24,166,354	–	14,872,139	9,294,215
Accrued interest payable	2,195,350	–	2,195,350	–	2,243,850	–	2,243,850	–
Amounts payable to third-party payors	9,867,522	–	9,867,522	–	11,988,444	–	11,988,444	–
Current portion long-term debt and capital lease obligations	2,433,581	–	2,433,581	–	3,342,155	–	3,342,155	–
Total current liabilities	58,627,637	–	43,735,441	14,892,196	61,698,526	–	46,905,381	14,793,145
Other liabilities	47,478,809	(5,623,998)	30,157,578	22,945,229	33,936,968	(5,842,459)	16,886,758	22,892,669
Long-term debt and capital lease obligations, less current portion	83,933,425	–	83,933,425	–	86,263,857	–	86,263,857	–
Net assets:								
Unrestricted	190,535,957	–	188,973,754	1,562,203	197,467,921	–	197,372,151	95,770
Temporarily restricted	65,238	–	65,238	–	73,885	–	73,885	–
Permanently restricted	2,365,513	–	2,365,513	–	2,365,513	–	2,365,513	–
	192,966,708	–	191,404,505	1,562,203	199,907,319	–	199,811,549	95,770
Total liabilities and net assets	$383,006,579	$(5,623,998)	$ 349,230,949	$ 39,399,628	$ 381,806,670	$(5,842,459)	$ 349,867,545	$ 37,781,584

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years Ended September 30, 2015 and 2014

	2015				2014			
	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.
Net patient services revenue (net of contractual allowances and discounts)	$300,051,402	$ (3,266,030)	$211,311,455	$ 92,005,977	$305,252,094	$ (3,259,532)	$215,794,608	$ 92,717,018
Provision for bad debts	(13,807,580)	–	(9,837,439)	(3,970,141)	(25,293,476)	–	(19,881,510)	(5,411,966)
Net patient service revenue less provision for bad debts	286,243,822	(3,266,030)	201,474,016	88,035,836	279,958,618	(3,259,532)	195,913,098	87,305,052
Disproportionate share hospital revenue	4,907,627	–	4,907,627	–	1,615,323	–	1,615,323	–
Interest and dividends	2,051,533	–	2,051,533	–	1,340,112	–	1,340,112	–
Other revenue	10,246,270	(7,442,122)	7,267,496	10,420,896	11,128,068	(7,030,245)	7,808,625	10,349,688
Total revenue	303,449,252	(10,708,152)	215,700,672	98,456,732	294,042,121	(10,289,777)	206,677,158	97,654,740
Operating expenses:								
Salaries and wages	157,322,210	(387,025)	87,987,273	69,721,962	152,683,714	(323,163)	82,965,156	70,041,721
Employee benefits	27,035,675	(3,266,030)	15,963,698	14,338,007	24,184,462	(3,259,532)	14,449,111	12,994,883
Supplies and other expenses	80,470,718	(6,683,937)	52,546,942	34,607,713	78,999,751	(6,322,650)	53,041,862	32,280,539
Depreciation and amortization	13,771,860	–	11,867,789	1,904,071	14,014,193	–	11,783,612	2,230,581
New Hampshire Medicaid enhancement tax	10,749,745	–	10,749,745	–	10,349,872	–	10,349,872	–
Interest	4,418,933	(371,160)	4,418,933	371,160	4,545,372	(384,432)	4,545,372	384,432
Total operating expenses	293,769,141	(10,708,152)	183,534,380	120,942,913	284,777,364	(10,289,777)	177,134,985	117,932,156
Income (loss) from operations	9,680,111	–	32,166,292	(22,486,181)	9,264,757	–	29,542,173	(20,277,416)

	2015				2014			
	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.	Consolidated	Elimination Entries	Southern New Hampshire Medical Center	Foundation Medical Partners, Inc.
Nonoperating gains (losses):								
Investment return	$ (4,811,065)	$ –	$ (4,811,065)	$ –	$ 9,148,881	$ –	$ 9,148,881	$ –
Contributions, community benefits expense and nonoperating revenues	240,439	–	241,237	(798)	71,309	–	63,808	7,501
Nonoperating gains (losses), net	(4,570,626)	–	(4,569,828)	(798)	9,220,190	–	9,212,689	7,501
Excess (deficiency) of revenues and nonoperating gains (losses) over expenses	5,109,485	–	27,596,464	(22,486,979)	18,484,947	–	38,754,862	(20,269,915)
Transfers from (to) affiliates	–	–	(23,953,412)	23,953,412	–	–	(20,778,264)	20,778,264
Pension adjustment	(12,135,609)	–	(12,135,609)	–	(3,447,079)	–	(3,447,079)	–
Released from restriction for capital purchases	94,160	–	94,160	–	25,000	–	25,000	–
(Decrease) increase in unrestricted net assets	(6,931,964)	–	(8,398,397)	1,466,433	15,062,868	–	14,554,519	508,349
Contributions of temporarily restricted net assets	95,010	–	95,010	–	56,666	–	56,666	–
Net assets released from restriction for capital purchases	(94,160)	–	(94,160)	–	(25,000)	–	(25,000)	–
Net assets released from restriction for operations	(9,497)	–	(9,497)	–	(17,563)	–	(17,563)	–
(Decrease) increase in temporarily restricted net assets	(8,647)	–	(8,647)	–	14,103	–	14,103	–
Increase in permanently restricted net assets	–	–	–	–	10,000	–	10,000	–
(Decrease) increase in net assets	(6,940,611)	–	(8,407,044)	1,466,433	15,086,971	–	14,578,622	508,349
Net assets (deficit) at beginning of year	199,907,319	–	199,811,549	95,770	184,820,348	–	185,232,927	(412,579)
Net assets at end of year	$192,966,708	$ –	$191,404,505	$ 1,562,203	$199,907,319	$ –	$199,811,549	$ 95,770

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM

BOARD OF TRUSTEES
MEMBERSHIP

2016 Term

SNHHS BOARD OFFICERS

TIMOTHY C. SULLIVAN, ESQ.	- CHAIRPERSON
TIMOTHY J. WHITAKER	- VICE-CHAIRPERSON
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MICHAEL S. ROSE	- SECRETARY
PAUL L. TRAINOR	- TREASURER

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JAMES K. STEINER
PRAVEEN K. SUCHDEV, M.D.
TIMOTHY C. SULLIVAN, ESQ.
TIMOTHY J. WHITAKER

Members may be contacted at the following address:

SOUTHERN NEW HAMPSHIRE MEDICAL CENTER
Administration Office
8 Prospect Street
P.O. Box 2014
Nashua, NH 03061

MICHAEL S. ROSE, CPA, MBA

michael.rose@snhhs.org

EDUCATION AND CERTIFICATIONS

Virginia Commonwealth University Master of Business Administration, 1996
Longwood University Bachelor of Science in Business Administration, Accounting Concentration, 1989
Certified Public Accountant Virginia State Board of Accountancy, 1991

EMPLOYMENT

Southern New Hampshire Health System – 2007 – present

President/Chief Executive Officer, July 2016 - present

Chief Financial Officer, 2007 – June 2016
Southern New Hampshire Health System is an 188 bed integrated health system with $300MM annual revenue, 280 employed physicians, 10,000 annual admissions, and 600,000 annual outpatient visits.

- Led major restructure following New Hampshire's defunding of hospital Medicaid program.
- Took a leadership role at Granite Healthcare Network in its insurance strategy and cost savings initiatives.
- Provided vision and leadership for a startup New Hampshire health insurance company, Tufts Health Freedom Plan, a joint venture between Tufts Health Plan and Granite Healthcare Network.
- Participated in the structure and negotiation of the $200MM annual Medicaid settlement with State of New Hampshire.
- Led the Health System through implementation of the Affordable Care Act.
- Led the Health System through the global financial crisis of 2008.
- Led the development of a joint venture Ambulatory Surgery Center with St. Joseph's Hospital and Dartmouth-Hitchcock.
- $89MM bond financing; including $35MM new money and $54MM debt restructuring.
- $10MM tax exempt lease financing.
- Facilitated conversion of patient accounting, registration and scheduling systems.
- Maintained positive operating margin and "A-"credit rating for eight consecutive years.
- Increased days cash on hand from 142 to 223.
- Increased all-payer case mix index from 1.06 to 1.22.
- $3MM annual savings from supply chain initiatives.
- Real estate acquisition, development feasibility and third party leases.
- Participated in development of clinical affiliation agreement with Massachusetts General Hospital.
- Reduced hospital dependence on Dartmouth-Hitchcock referrals through growth of employed multispecialty physician group.
- Provide active leadership in all areas of clinical operations and administrative functions.

Cooper Health System - 2000 – 2006

Cooper University Hospital - Vice President of Finance & Operations, 2003 – 2006.

- Cooper Health System is a 560 bed integrated health system with $650MM annual revenue, 370 employed

physicians, 25,000 annual admissions, 1.2MM annual outpatient visits. Cooper Health System is a core teaching campus for Robert Wood Johnson Medical School.

- Responsible for all aspects of revenue cycle including physician and hospital patient accounting, admissions, cost reporting, charge master, charge capture and reimbursement.
- Improved yield on hospital accounts receivable by ~$28.0MM. Reduced days in A/R from 70 to 48.
- Provide decision support for all corporate functions.
- Consolidated financial and managerial reporting functions for the Cooper Health System.
- Report to Finance Committees for Cooper University Hospital and Cooper University Physicians.
- Product line planning, strategic planning, five year financial and capital plan, feasibility studies.
- Coordinated $80.0MM tax exempt bond issue, $67.0MM advanced refunding and debt restructure, $5.0MM sale leaseback transaction, $30MM off-balance sheet parking garage.
- Investment policy and treasury management, including management of $155MM in construction funds.
- Investor relations; led investor and rating conferences, maintained 5 year financial projections.
- Achieved three bond upgrades during the period 2003-2005.
- Managed care contract negotiation, achieved rate increases in excess of 25% with major payers.
- Facilitated two major practice acquisitions; 20 FTE Radiology practice, 18 FTE Internal Medicine practice.
- Implemented cost accounting system which enabled product line and payer profitability analysis.
- Implemented Solucient™ operational benchmarking program.
- Implemented 340(b) pharmacy discount program, generating $6MM in annual savings.
- Negotiated collective bargaining agreements with nursing union.
- Converted ambulatory surgery center to hospital based, resulting in $3.0MM increase annual revenue.

Cooper University Physicians - Senior Vice President/Chief Financial Officer, 2000 - 2003.

- Responsible for all financial and operational aspects of $220MM faculty practice with 370 FTE physicians.
- During my tenure, revenue increased by $35.0MM and margins increased by $6.0MM.
- Major areas of direct responsibility included; patient accounting, accounting, finance, business development, accounts payable, cost accounting, financial reporting, budgeting, decision support, treasury..
- Consolidated billing operations under IDX billing platform. Increased collections yield by 10%, generating an additional $8.0MM per year in patient revenue. Reduced days in A/R from 92 to 37.
- Negotiated support agreements with affiliated hospital. Secured an additional $6.0MM per year in funding.
- Conducted multiple acquisitions, divestitures, and affiliations with community physician groups.
- Provided analytic and strategic support to the managed care contracting function.
- Designed incentive/compensation program for physicians.
- Developed Cooper Research Institute for clinical trials.

Virginia Commonwealth University Health System 1992-2000

Medical College of Virginia Physicians - Director of Finance, 1998 - 2000

- Responsible for overseeing all financial aspects of $130 million operation, 500 physician multi-specialty academic group practice.
- Accounts payable, accounts receivable, procurement, general ledger, cost accounting, financial reporting, budgeting, contract analysis, benchmarking, reimbursement analysis and treasury.
- Developed methodology for capturing and reporting indigent care costs, which aided in obtaining $12 million in additional state funding.
- Facilitated consolidation of 20 independent clinical department corporations into a single group practice.
- Developed data warehouse which consolidated the financial reporting systems for MCV Physicians and the Virginia Commonwealth University School of Medicine

Medical College of Virginia Hospital - Director of Operations, 1997 - 1998.

- Product Line Administrator for Digestive Diseases. Responsible for management of hospital Endoscopy unit and 20 FTE GI practice.
- Fiscal management including; budgeting, managing reimbursement, financial analysis, market analysis, capital planning, capacity analysis, benchmarking, marketing, and managed care contracting.
- Operational management including; managing all patient and physician scheduling activities, and supervising nursing, secretarial and billing staff (approximately 30 FTE's).
- Turned a $75,000 net loss for the physician practice into a $400,000 margin in one year.
- Increased Endoscopy revenues by approximately $500,000.
- Implemented colorectal cancer screening program.
- Installed patient management database which eliminated transcription costs, improved results reporting and communications with referring physicians and enhanced outcomes research capabilities.
- Redesigned scheduling system in a manner which optimized facility utilization thereby increasing capacity by approximately 1,000 procedures per year.

Medical College of Virginia Physicians - Director of Internal Audit, 1992-1997.

- Managed Internal Audit function for a multi-specialty, 500 member academic physician practice.
- Coordinated political and legal battle with City of Richmond over disputed business taxes. Succeeded in gaining exempt status resulting in tax savings in excess of $500,000 per year.
- Recommended solutions which resulted in savings which exceeded the departmental operating budget by at least 200% each year.
- Reported to Audit Committee on a quarterly basis, chaired Audit Committee meetings.
- Performed information system security audits.
- Administered compliance programs for regulatory and taxation concerns.
- Investigated instances of fraud.

Commonwealth of Virginia - Auditor of Public Accounts - Staff/Senior Auditor, 1989-1992.

- The Auditor of Public Accounts provides external audit and review services to all state agencies.
- Managed financial and compliance field audits for a variety of state agencies including; Medicaid, MCV Hospital, Department of Education, Department of Transportation, etc...
- Studied and evaluated accounting systems, recommended improvements and reported results.
- Prepared trial balances, financial statements, and management letters.
- Supervised staff, reviewed staff work, completed performance evaluations.
- Evaluated internal control systems, reported findings and recommended improvements.
- Prepared customized reports and performed data retrieval from the statewide accounting system (CARS).

RELATED SKILLS AND EXPERIENCE

- IT System Conversions.
- Revenue Cycle.
- Business Intelligence and Decision Support.
- Payroll and Benefits Administration.
- Managed Care Contracting and Administration.
- Self-insurance for Malpractice, Health Insurance and Equipment Maintenance.
- Debt Financing, Feasibility, Credit Rating Management and Investor Relations.

PUBLICATIONS AND LEGISLATIVE ADVOCACY

- Healthcare Financial Management, "*Providing better care at an affordable cost*", June 2012, p.46-48.
- Medical Group Management Association, "*On with the show, patient no-shows – some surprising findings*", Mike S. Rose and M. Kyue Chung, M.D, January 2003, p. 54-57.
- New Hampshire Task Force for Pricing Transparency.
- New Hampshire MET/DSH Lawsuit – Member Settlement Team.
- New Jersey Medicaid Rate Rebasing Subcommittee.
- New Jersey Department of Banking and Insurance Commission on HMO Claims Processing.
- New Jersey Hospital Association, Subcommittee on NJ Charity Care Funding.
- New Hampshire Medicaid Enhancement Tax Committee.
- Testified before the Virginia General Assembly in support of coverage for colorectal cancer screenings.

BOARDS AND PROFESSIONAL ASSOCIATIONS

- Rivier University, Board of Trustees, Treasurer and Chair of Finance Committee
- Tufts Health Freedom Plan, Board Member
- Nashua Regional Cancer Center, Chair of Finance Committee, Treasurer
- Greater Nashua Surgery Center, Board Member, Secretary
- New Hampshire Hospital Association, Board Member, Advocacy Task Force
- VHA Northeast Purchasing Coalition, Board Member
- New Hampshire Imaging Alliance, Board Member
- Advantage Physician Hospital Organization, Board Member, Treasurer
- American Institute of Certified Public Accountants
- Healthcare Financial Management Association
- Londonderry Wrestling Association, Treasurer, Youth Coach
- Big Brothers, Big Sisters of Greater Nashua
- Nashua Rotary
- Greater Nashua Chamber of Commerce, Board Member

Susan M. DeSocio

SUMMARY:

- Thirty-one years + Executive Level Administrative, Financial, Strategic, Development and Operational experience in the Health Care Industry, both Hospitals and Medical Groups.
- Experience in Health Care Strategic Planning, Financial Planning and Reporting, Physician Alignment Strategy, Physician Network Development and Practice Management, Business Analysis and Development, Risk Management, and Organizational Development.
- Proven Management, Communication, Public Speaking and Staff Development Skills.
- Proven Record of Effective Relationships with Board of Trustees, Physician Leadership Teams, Senior Leadership Teams, Staff and Community.

PROFESSIONAL HISTORY:

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, Nashua, NH March 1999 – present *Southern New Hampshire Health System is the fourth largest integrated health care delivery system in the state of New Hampshire with two wholly owned subsidiaries – Southern New Hampshire Medical Center, a 188 bed acute care hospital and Foundation Medical Partners, a 310+ provider multispecialty medical group. I hold two executive positions simultaneously.*

President/CEO Foundation Medical Partners Responsible for the overall operations, financial performance, development, compliance and strategic planning. Formulate and negotiate terms for all internal and external business relationships, including physician contracting, practice sale and acquisition, service line development and relationships with outside entities. Joined the organization during the initial development stages (40 providers, $16MM Revenue) and led the organization through significant growth and industry changes throughout my tenure. During my tenure led several leadership development initiatives including the organization adopting a Servant Leadership philosophy, organization-wide Rights and Responsibilities Pledge and developing a strong medical and administrative leadership team. Reviews from physicians and board members highlight excellence in staff, leadership and Board relations.

Relevant Business Statistics: Revenue >$100M annually, > 800 FTEs, 72 Practices, 310+ Physicians and AHPs

Senior Vice President Southern New Hampshire Health System Responsible for the development and implementation of select Health System initiatives such as the development of formal external clinical affiliations. Accomplishments include leading the initiative to develop a robust clinical affiliation with Massachusetts General Hospital and integrating MGH clinical programs with Southern New Hampshire Health System programs. Other affiliation activities have included Joslin Diabetes Center, Dartmouth Hitchcock, Lahey Clinic and several local organizations. Responsibilities include that of the CEO of the Health System and Medical Center in his absence. This role requires strong communications, financial, business development, public speaking and board relations skills.

Relevant Business Statistics: Revenue >$300M annually, >2,000 FTEs

UMASS MEMORIAL HEALTH SYSTEM, Worcester, MA June 1995 – February 1999 *UMass Memorial Health Care is the largest health care system in Central and Western Massachusetts, and the clinical partner of the University of Massachusetts Medical School. The system includes five hospitals, accounting for over 1,125 beds, home health and hospice programs, behavioral health programs and community-based practices.*

Executive Director, UMASS Community Physicians and Affiliate Development Developed and implemented corporate business plan and strategy to build a community-based primary care physician network. Led the recruitment and placement of over 80 primary care physicians and the development of thirty two practice locations. Led the development of practice policies, procedures, ongoing financial models and a methodology for tracking return on investment for the Health System. Developed a corporate practice development and marketing plan with emphasis on customer service and patient education. Led the organization through a merger with Memorial Medical Group resulting in a 200 physician multispecialty medical group with a combined revenue of $45M in 1998. Also, developed business opportunities for further economic relationships with member and affiliate health care partners along the continuum of care in order to strengthen the market position of UMASS Memorial Health Care's integrated delivery system.

COTTAGE HOSPITAL, Woodsville, NH December 1984 – December 1992 *Cottage Hospital is a 25 Bed critical access hospital located in Woodsville, New Hampshire serving the Upper Connecticut River Valley. The Hospital has over 250 employees and, 37 physicians. During my tenure I served in the role of Systems Information Manager, Chief Financial Officer and for the last year, Interim CEO at the Boards request.*

Chief Financial Officer Managed the information services and fiscal affairs of the hospital through extensive external regulatory and economic pressures such as physician and nurse shortages, and negative trends in the economic status of our patients. Through strategic planning and hands-on management, strengthened the financial position of the hospital, secured Rural Healthcare Transition Grant funds for the hospital's physician recruitment program, planned and implemented new facilities such as an on-campus medical office building and community practices. Responsible for physician recruitment, risk management, facilities management, information technology, Board relations, community relations and fund development.

EDUCATION

Boston University, Questrom School of Business, Boston Massachusetts
Masters Business Administration
Bentley College, Waltham, Massachusetts
Bachelor of Science, Computer Information Systems
Associate Degree, Accountancy
Associate Degree, Management

PROFESSIONAL AFFILIATIONS: Healthcare Financial Managers Associate, Medical Group Management Association, American College of Health Care Executives, American Management Association

PAUL L. TRAINOR

Education:

Bentley College, Waltham, MA
BS Degree – Accounting

New England College, Henniker, NH
Masters in Management – Healthcare Administration

Experience:

Southern NH Health System, Nashua, NH
Senior Vice President/Chief Financial Officer, July 2016 – Present

Southern NH Medical Center, Nashua, NH
Controller, August 2007 – June 2016

- Provide leadership role on behalf of Finance to help meet organization's financial goals
- Prepare financial reporting package and presentation for CFO and Finance Committee
- Manage Finance, Accounting, Accounts Payable and Payroll Departments
- Preparation of the annual operating and capital budgets
- Oversee all external financial reporting, audits and taxes
- Ensure adequacy of organization's reserves
- Establish accounting policies and procedures

Catholic Medical Center, Manchester, NH
Director of Accounting, April 2002 – August 2007

- Prepare financial reporting package and presentation for CFO and Finance Committee
- Ensure financials are prepared in accordance to Generally Accepted Accounting Principles
- Manage Accounting Supervisor, Senior Accountants, Financial Analyst, and Accounts Payable
- Responsible for all external financial reporting (990, Bondholder filings, rating agencies)
- Manage dashboard reporting to directors and senior management
- Preparation of the annual operating and capital budgets
- Analyze adequacy of organization's reserves
- Establish accounting policies and procedures

Anthem BCBS, Manchester, NH
Senior Reimbursement Analyst, May 2001 – April 2002

- Model proposed reimbursement terms for provider contracting
- Met with providers to negotiate new terms for reimbursement
- Model contract terms for forecasting
- Various data mining projects

Catholic Medical Center, Manchester, NH
Accounting Manager, November 1998 – May 2001
Senior Accountant, April 1997 – November 1998
Financial Analyst, May 1994 – April 1997

- Responsible for month-end close and the preparation of Financial Reporting Package for the health system
- Manage staff of 9, which include GL, Fixed Assets, Accounts Payable, Physician Practice and Cashier Staff
- Responsible for the coordination of the year-end audit and workpaper preparation
- Responsible for the preparation of the 990 tax return
- Analyze investment returns and coordinate the changing of investment managers
- Prepare analysis for the reserve for Bad Debt and Charity Care

- Prepare rollforward of unrestricted, temporarily and permanently restricted fund balances
- Prepare price and volume variance analysis

Hesser College, Inc., Manchester, NH
Staff Accountant, January 1992 – May 1994
- Analyze, record and report all federal financial aid funding
- Contract with outside agencies for non-federal financial aid
- Responsible for all payroll and human resource functions
- Assist auditors on year-end closing

Accounts Payable Clerk, October 1991 – January 1992

Technical: Excel, Access, Powerpoint, Word, Business Objects/Crystal, Monarch, GTE Systems, Infinium Systems, FRX , Siemens, Lawson

References: Available upon request

Joseph Tate Curti, FACHE

SUMMARY

Progressive and experienced leader with successful track record of financial management, team reorganization, strategic planning, oversight and expansion of clinical services, clinical/quality management and community involvement. Possesses outstanding communication and relationship building skills.

PROFESSIONAL EXPERIENCE

Southern New Hampshire Health System, Nashua, NH **2015-Present**

Southern New Hampshire Health System is a provider of comprehensive health services. A clinical affiliate of Massachusetts General Hospital Southern New Hampshire Health System is a participant in the Medicare and Cigna Accountable Care Organization programs. The system operates with an annual $329M budget.

Chief Operating Officer / Senior Vice President 2015-Present

Reporting to the CEO of Southern New Hampshire Health System, responsible for the delivery of high quality patient services as well as efficient business operations in the 188 bed acute care hospital and 18 bed inpatient behavioral health unit. Responsible for a staff of 1255+ FTE's and P&L responsibility for $211M annual operating budget. Executive for LEAN quality improvement initiatives and DNV-GL accreditation readiness.

- Proving capable of driving accountability on the management of FTE's and non-salary expenses across several areas under direct control.
- Ensuring monitoring of key performance indicators and accountability is hard-wired, clinical excellence and patient experience is championed and proven disciplined at making difficult decisions relative to the allocation of scarce resources.

Elliot Health System, Manchester, NH **2010-2015**

The largest provider of comprehensive healthcare services in Southern New Hampshire and a participant in the Medicare Accountable Care Organization program. The cornerstone of the system is Elliot Hospital, a 296-bed acute care facility, employing 3000 FTE's and 315 providers. A $480M system wide operating budget.

Vice President of Professional and Support Services 2013-2015

Direct line management for Laboratory, Radiology, Facility, Food Services and Nutrition, Home/Durable Medical Equipment, Pharmacy, Rehabilitation, and Surgical Services. Includes day to day responsibility for a staff of roughly 700+ FTE's and P&L responsibility for $120M of annual net revenue. Operational oversight of 15 Operating Rooms performing 15,000+ cases per year. Continued service line responsibilities across several key sub-specialty areas including Endoscopy Services and 1-Day Surgery Center, a collaboration between Elliot Health System and Dartmouth Hitchcock Medical Center.

- Effectuated several tactical components of the joint operating agreement between Elliot Health System and Dartmouth Hitchcock Medical Center increasing clinical coordination and reducing costly redundant infrastructure.

- Developed Master Facility Plan directing future revitalization effort for acute care campus.
- Reduced ambulatory related surgical room turnover time by 28% and doubled first case on time starts while achieving a 99th percentile patient satisfaction score.
- Restructured surgical services nursing leadership and rooming turnover processes to achieve a doubling of patient throughput for hospital based endoscopy services.

Director of Surgical Services 2012-2013

Service line responsibility for General Surgery, Orthopedics, Rheumatology, Neurology, Gastroenterology and Cardiology. Direct line supervision of 260 FTE's while controlling $34M of annual operating expense.

- Redesigned surgical activity which yielded a 15% increase in block utilization.
- Launched New Hampshire's first comprehensive arthritis center expanding the breadth and depth of services offered by the specialty network.

Director of Ambulatory Surgical Services & Orthopedics 2011-2012

Director for two free standing Ambulatory Surgery Centers, Elliot One Day Surgery Center and Elliot Endoscopy at River's Edge. Continued service line responsibility for Orthopedics.

- Recruited three Rheumatologists resulting in the increased capture of musculoskeletal related referral market share.

Director of Orthopedics 2011-2011

Directed line management activities and service line development for the orthopedics department. Responsible for the creation and management of $6.2M operating budget.

- Initiated a referral management strategy resulting in a 60% increase in revenue in six months.

Administrative Resident 2010-2011

Worked alongside senior leadership to gain broad exposure to organizational structure and processes, strategic planning, financial management, clinical services, ambulatory services, support services, patient care and ancillary services.

- Executed a capital project equipping an orthopedics suite enabling 20,000+ annual patient visits.

George Washington University, Washington, DC 2009-2010

The Department of Health Policy, located at George Washington University, participates in contractual engagements with District of Columbia government relative to public health matters.

Research Assistant

Developed policies and procedures for the district's Department of Health Care Finance human resources and procurement activities.

University of Illinois Chicago, Chicago, IL 2007-2008

The Institute for Tuberculosis Research is a drug discovery research facility working on the development of new drugs to combat tuberculosis.

Visiting Research Assistant

Managed high throughput screening activities for promising new pharmaceutical compounds.

PDI, Inc., Chicago, IL **2004-2005**
Leading health care commercialization company providing contract sales forces for established and emerging health care companies.
Pharmaceutical Sales Specialist
Established effective working relationships with 150+ primary care and specialty care physicians.

Corbett Accel Healthcare Group, Chicago, IL **2001-2004**
A marketing communications firm for clients and brands in the pharmaceutical industry.
Assistant/Client Services Manager
Implemented the successful launch activities of several pharmaceutical brands.

EDUCATION

Master of Health Services Administration **2011**
George Washington University, Washington DC
Bachelor of Arts, Anthropology & American Cultural Studies **2001**
Bates College, Lewiston, ME

PROFESSIONAL/COMMUNITY AFFILIATIONS & AWARDS

American College of Healthcare Executives, Fellow
Granite State Children's Alliance, Board President
New Hampshire Union Leader "40 Under 40", Designee

Mark E. Santos R.Ph., M.B.A., CMPE

QUALIFICATIONS

- Ability to lead a multi-specialty group in all phases of operations, producing measurable improvement in clinical and financial performance, as well as patient, staff and provider satisfaction
- Ability to design and execute strategic plans to improve clinical and financial performance
- Ability to negotiate and manage contracts with insurance carriers, vendors, facility occupants, contractors, providers and affiliated hospital organizations
- Ability to develop and implement collaborative clinical programs with external physicians and local provider organizations to improve care and reduce costs
- Ability to design, implement and maintain a compensation plan for physicians based on work effort, quality, value, equity and market competitiveness
- Ability to apply quality improvement techniques to streamline operations, improve data quality, data availability and productivity
- Ability to implement comprehensive electronic systems to improve patient care, streamline data collection and availability, and improve cash flow
- Ability to meet all regulatory and compliance requirements for licensed services

WORK HISTORY

7/2011 - Present: Foundation Medical Partners, Nashua NH
Chief Operations Officer / Vice President

- Responsible for general operations for a 270+ provider, 53 Specialty multispecialty group
- Responsible for program development, implementation of strategic plan
- Responsible for hospitalist program to service 200 bed community hospital
- Designed and implemented affordable, high quality walk-in clinics to support our community, servicing over 40,000 annual visits in five locations
- Implemented Patient Centered Medical Home NCQA Level 3 Accreditation in 21 practices and over 70 providers
- Enhance relationships with tertiary hospital affiliations, including Massachusetts General Hospital and Lahey Clinic
- Responsible for Quality Assurance and Nurse Leadership
- Provide oversight for systems development and deployment

10/07 – 6/2011 Foundation Medical Partners, Nashua NH
Associate Vice President Provider Services

- Supported entire provider network with systems development
- Enhanced programs to improve quality service standards.
- Provided direct leadership for primary care divisions
- Supported System Leadership in all strategic and operational development

8/98-9/2007: Harvard Pilgrim Health Care, Nashua NH
Administrative Director, Nashua Medical Group,
Responsible for all aspects of multi-specialty health center operations including strategic planning, regulatory compliance, budget development and performance, clinical program evaluation and development, risk management, physician and staff compensation and management, information systems, contract management and real estate management.

1/90-7/98: Harvard Vanguard Medical Associates, Burlington Center, Burlington MA.
Assistant Administrator and Chief Pharmacist,

- Responsible for budget development, information management, pharmacy services, surgical and medical specialties, laboratory and radiology services.
- Project leader for successful electronic medical record implementation and data conversion.

9/85-12/89: Harvard Community Health Plan, Cambridge MA
Pharmacy Supervisor

2/81-9/85: Hospital Center Pharmacy, Boston, MA
Registered Pharmacist

EDUCATION
Masters in Business Administration
Rivier University, Nashua NH, 2001

Leadership for Change
Graduate Certificate Program
Boston College, 1997

Total Quality Management Facilitator Program
Harvard Pilgrim Health Care, 1991

Bachelor of Science in Pharmacy,
Massachusetts College of Pharmacy, 1981

AFFILIATIONS
American College of Medical Practice Executives
Board Certified in Medical Practice Management
Medical Group Management Association, National
Medical Group Management Association, New Hampshire
New Hampshire Society of Health System Pharmacists

Kenneth F. Howe, M.D., F.A.C.S.

EDUCATION

Tufts University School of Medicine, Boston, Massachusetts
Doctorate in Medicine, June 1981

Boston College, Chestnut Hill, Massachusetts
Bachelor of Science Degree in Biology, Magna Cum Laude, June 1977

POSTGRADUATE TRAINING

St. Elizabeth's Medical Center, Boston, Massachusetts
Residency in General Surgery, July, 1981 – June, 1986

PROFESSIONAL

Licensure: New Hampshire, #10332

Board Certification: General Surgery, 1987 Re-certified 2007

Appointments:

Chief Surgical Officer
Southern New Hampshire Medical Center
Nashua, New Hampshire
January 2012 - present

ACS Cancer Liaison Physician
Cancer Committee
Southern New Hampshire Medical Center
Nashua, New Hampshire
January 2011 – December 2013

Chairman, Peer Review Committee
Southern New Hampshire Medical Center
Nashua, New Hampshire
January 2009 – present

Chief of Staff
Southern New Hampshire Medical Center
Nashua, New Hampshire
January 2008 – December 2009

Vice Chief of Staff
Southern New Hampshire Medical Center
Nashua, New Hampshire
January 2006 – December 2007

Secretary/Treasurer of Medical Staff
Southern New Hampshire Medical Center
Nashua, New Hampshire
January 2003 – December 2005

Chairman, Committee on Trauma
Southern New Hampshire Medical Center
Nashua, New Hampshire
April 2004 – November 2008

Councilor – New Hampshire Chapter ACS
January 2003 – November 2008

Chairman, Department of Surgery
Southern New Hampshire Medical Center
Nashua, New Hampshire
January, 2001 – 2003

Attending Teaching Staff, General Surgery
Good Samaritan Medical Center, Brockton, Massachusetts
1986 - 1998

Director of General Surgical Residency Program
Good Samaritan Medical Center, Brockton, Massachusetts
1993 – 1995

Teaching Fellow in General Surgery
Tufts University School of Medicine
1985 – 1986

Clinical Practice:

Foundation Medical Partners
8 Prospect Street, Nashua, New Hampshire 03061
November 2010 - present

Dartmouth Hitchcock Clinic
Department of Surgery
21 East Hollis Street, Nashua, New Hampshire 03060
August 1998 – November 2010

Southeast Surgery, Inc.
830 Oak Street
Brockton, Massachusetts 02401
July 1986 – July 1999

Hospital Affiliations:

Southern New Hampshire Medical Center
8 Prospect Street, Nashua, New Hampshire
August 1998 – present

Good Samaritan Medical Center
235 North Pearl Street
Brockton, Massachusetts 02401
July 1986 – July 1998

Awards and Honors

The William Stewart Halsted Teaching Award
St. Elizabeth's Medical Center
June 1996

Excellence in Teaching Award
Tufts University School of Medicine
June 1986

Alpha Epsilon Delta
Boston College
May 1976

Societies:

American College of Surgeons

Bibliography:

Petros JG, Mallen JK, Howe K, Rimm EB, Robillard RJ
Patient controlled analgesia and postoperative urinary retention after open appendectomy.
Surgery, Gynecology and Obstetrics. 1993 Aug; 177 (2): 172-5.

Gawdat K, Howe K
Pancreatic lymphoma
Journal of Clinical Gastroenterology. 1993 Apr; 16 (3): 258-60.

Hurley L, Howe K
Mycotic Aortic Aneurysm Infected by *Clostridium septicum.*
Angiology. 1991 July; 42 (7): 585 - 89

Robert Greg Dorf, D.O.

Education

- **St. Joseph's Hospital and Medical Center/ Mount Sinai Hospital**
  Family Medicine Residency Program
  Paterson, NJ
  June 1998-June 2001

- **University of New England College of Osteopathic Medicine**
  Biddeford, ME
  Doctor Of Osteopathic Medicine (D.O.)
  September 1994-June 1998

- **Muhlenberg College**
  Allentown, PA
  B.S. Biology
  September 1989-May 1993

Related Employment Experience

- **4/2008- Present. Chief Medical Officer, Foundation Medical Partners. Nashua, NH.** Oversee clinical activity/ growth of 195 provider multi-specialty provider group.

- **10/2006-Present. Board of Directors Advantage PHO, Nashua, NH.** Oversees financial and clinical management of the PHO

- **1/2005-10/2008. Director of Quality Assurance Foundation Medical Partners, Nashua, NH.** Responsible for QA management of this 165 provider group.

- **11/2004-3/31/2008. Foundation Medical Partners,. Amherst Family Practice.** Family Practice Division

- **8/2001- 9/2004. Warren Family Practice Associates, Warren, RI.** Primary care private practice.

- **8/2001-9/2004. Rhode Island Primary Care Physicians Corp, Cranston, RI.** IPA. Served on Utilization and Quality Assurance Committees.

- **4/2000-6/2001. Planned Parenthood of Greater Northern New Jersey, Morristown, NJ.** Per Diem Clinician

- **9/1995-6/1996. Osteopathic Manipulative Medicine Teaching Assistant, University of New England College of Osteopathic Medicine.** Instructed first year students in the proper techniques and application of Osteopathic manipulative medicine.

- **Summer 1995. Virginia Primary Care Association, Richmond, VA.** Spent the summer in a rural clinic in western Virginia providing primary care to a medically underserved area.

- **7/1993-7/1994. Malignant Melanoma Fellowship with NYU Malignant Melanoma Cooperative Group, NYC, NY**. Research fellow studying Melanoma, BCC, SCC.

Research Experience

- **July 1998-June 2001. Research, Family Medicine Department, St. Joseph's Hospital and Medical Center, Paterson, NJ.** Research regarding the use of a Transtheoretical Model of Change in advancing patients towards smoking cessation. Study completed 9/00.

- **June 1993- June 1994. Research Fellow, NYU Melanoma Cooperative Group, New York City, NY**. Conducted research regarding long term prognosis of patients with various stages of melanoma. Collected and collated raw data, reviewed pathology slides to confirm staging and arranged follow-up questionnaires for later interpretation and statistical study.

Publications

- Friedman-MD, R.J, Rigel-MD, D., Nossa-BA, R., Dorf-BS, R.G. Basal Cell and Squamous Cell Carcinoma of the Skin. American Cancer Society Textbook of Clinical Oncology 2nd Edition. American Cancer Society, 1995. Pp. 330-341.

Leadership

- **2010-Present**. Vice-President, Northeast Healthcare Quality Improvement Organization.

- **2009-2010.** Board of Directors, Northeast Healthcare Quality Improvement Organization.

- **2007-2010.** Physician Champion/Chair, Greater Nashua Youth Overweight Collaborative. Coordinate development of goals, objectives and measures in addition to maintaining project momentum in this multi-health system venture.

- **2005-2008.** Director of Quality Assurance, Foundation Medical Partners.

- **2000-2001**. Chief Resident, St. Joseph's Hospital and Medical Center/ Mount Sinai Hospital Family Medicine Residency Program

- **1999-2001.** Osteopathic Advisory Committee, SJHMC. Responsible for overseeing the quality of osteopathic education, peer review and osteopathic issues at St. Joseph's Hospital and Medical Center.

- **1997-2001.** Treasurer Class of UNECOM Class of 1998: Responsible for class finances, organizing and financing funds for activities and class gift. Involved with graduation preparatory activities.

Awards

- **2001**. Resident Research Award, St. Joseph's Hospital & Medical Center Department of Family Medicine.

- **2001**. Resident Teacher Award, St. Joseph's Hospital & Medical Center Department of Family Medicine.

- **2000**. AAFP Resident Scholarship, 22nd Annual Conference on Patient Education.

Board Certifications

- 2009. American Osteopathic Board of Family Physicians Recertification, 10/31/09-11/1/09. Certified: 2010-2017.

- 2008. American Board of Family Medicine Recertification, 7/21/08. Certified: 2008-2015.
- 2001. American Osteopathic Board of Family Physicians, 3/2001. Certified: 2001-2009.
- 2001. American Board of Family Medicine, 7/13/2001. Certified: 2001-2008.

Professional Memberships

- 2005-Present. American College of Physician Executives
- 2004-Present. New Hampshire Academy of Osteopathic Family Physicians.
- 2001-2004. Rhode Island Society of Osteopathic Physicians and Surgeons.
- 2001-2004. Rhode Island Academy of Family Physicians.
- 1998-Present. American Academy of Family Physicians.
- 1997-Present. American College of Osteopathic Family Physicians.
- 1994-Present. American Osteopathic Association.

CURRICULM VITAE

Stephanie Wolf-Rosenblum, M.D., MMM, FCCP, FACP

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8 Prospect Street
Nashua, NH 03061
stephanie.wolf-rosenblum@snhhs.org

Office Telephone: (603)-577-3004
Fax: (603)-577-2772

Certification:

Board Certified in Sleep Medicine through 2021
Board Certified in Internal Medicine – time unlimited
Board Certified in Pulmonary Medicine through 2021
Board Certified in Critical Care Medicine through 2021

Licensure:

Massachusetts State Medical License
New Hampshire State Medical License

Education:

Masters in Medical Management, H. John Heinz III School of Public Policy And Management
Carnegie Mellon University — May 2004
Fellowship in Pulmonary and Critical Care Medicine.
Yale University School of Medicine — July 1985- June 1988
Residency in Internal Medicine, Yale University School of Medicine — July 1983 – June 1985
Internship in Internal Medicine,
Yale University of Medicine — June 1983
Yale University School of Medicine, M.D. — May 1982
Brown University, A.B. Biochemistry — June 1978
-With Honors in Biochemistry

Chronology of Professional Affiliation:

Vice President of Development and External Affairs, Southern New Hampshire Health System, Nashua, NH 2015-present.
Vice President Medical Affairs and Chief Medical Officer, Southern New Hampshire Medical Center, Nashua, NH 2003 – 2015.
Dean, Community Medical School, 1999 – 2008.
Medical Director, Foundation Medical Partners, Nashua, NH, 1996 – 2003.
Pulmonologist, Foundation Medical Partners, Nashua, NH
August 1994 – Present.
Medical Director, Pulmonary Rehabilitation and Sleep Center,
Southern New Hampshire Medical Center, Nashua, NH
May 1994 – 2008.
Medical Director, Intensive Care Unit, St. Joseph Hospital, Nashua, NH
1990 – 1996.
Medical Director, Intensive Care Unit, Southern New Hampshire
Medical Center, Nashua, NH, 1990 – 2003.
Consulting Staff, Monadnock Community Hospital, Peterborough, NH
July 1992 – 2005.
Consultant, St. Joseph Hospital, Sleep Disorder Center, Nashua, NH
April 1991 -1996.
Medical Director, Granite State Pulmonary Company, Nashua, NH
January 1991 – 1995.
Nashua Pulmonary Medical Associates Nashua, NH
April 1990 - July 1994.
Pulmonary Associates, Nashua, NH, July 1988 - April 1990.
Medical Staff, Southern New Hampshire Medical Center,
Nashua, NH July 1988 – Present.
Medical Staff, Monadnock Community Hospital,
Peterborough, NH, 1990-2005.
Medical Staff, St. Joseph Hospital, Nashua, NH, July 1988 – Present.
Attending Physician, Winchester Chest Clinic, Yale – New Haven
Hospital, New Haven, CT, January 1988 – June 1988.
Attending Physician, Emergency Department, Yale – New Haven
Hospital, New Haven, CT, January 1988 – June 1988.
Attending Physician in Pulmonary Medicine,
Veterans Administration Hospital, West Haven, CT,
July 1987 – June 1988.
Staff Physician, Gaylord Rehabilitation Hospital, Wallingford, CT
July 1985 – June 1988.

Committees:

Home Health and Hospice Board of Directors, 2016.
Advocates for New Hampshire Patients (PAC), 2015-present.
Board of Medicine Opioid Rules Workgroup, 2015-present.

Nashua Prevention Coalition (for Teen and Adolescent Substance Misuse), 2015 – present.
Nashua Chamber of Commerce Advocacy Task Force, 2015-present.
School of Nursing Advisory Board, Southern New Hampshire University, Manchester, NH, 2014-present.
Granite Health Network Chief Medical Officers Group, 2010 - 2015.
Regional Policy Board, American Hospital Association, 2009-2014
Foundation for Healthy Communities, Board of Directors, 2006-2014,
Vice Chair, 2010- 2011, president 2012
Board of Directors, Northeast Healthcare Quality Foundation, 2005- 2009.
Community Council of Nashua, Board of Directors, 2005 - 2012
Chair, Quality and Risk Committee 2010-2012.
New Hampshire Healthcare Quality Commission, 2005- 2015.
Vice Chair, 2005-2006.
Chair, July 2007-July 2009.
Leadership Steering Committee, August 2009 – 2015.
VHA New England, Physician Executive Council, 2003-2010.
Board of Directors, National Association for Medical Direction in Respiratory Care, 2002 – 2005.
Board Member, Advantage Network PHO, 2000 – 2003.
Board of Trustees, Southern New Hampshire Medical Center, Nashua, NH, 2000- 2003.
Corporate Integrity Committee, Southern New Hampshire Medical Center, Nashua, NH, 1998 – 2015.
Credentials Committee, Southern New Hampshire Medical Center, Nashua, NH, 1998 – 2000; 2003 - 2015.
Strategic Planning Committee, Board of Trustees, Southern New Hampshire Medical Center, Nashua, NH, 1996 – Present.
Board of Trustees, Foundation Medical Partners, 1997 – 2003.
Board of Governors, Foundation Medical Partners, 1995 - 2003.
Critical Care Committee,
St. Joseph Hospital, 1990 – 1996.
Southern New Hampshire Medical Center, 1990 – Present,
Chair, 1991 – 1996.
Department of Medicine, Southern New Hampshire Medical Center, Nashua, NH.
Chair, 1993 – 1994.
Vice Chair, 1991 – 1992.
Ethics Committee, Southern New Hampshire Medical Center, Nashua, NH 1992 – 1996.
Advance Directive Committee, St. Joseph Hospital, 1991 – 1992.
Endoscopy Committee, St. Joseph Hospital, 1990 – 1998.
Chair, 1991 – 1994.
Medical Executive Committee, Southern New Hampshire Medical Center, Nashua, NH, 1991 – 2015.

Chief of Staff, 2001- 2003.
Vice Chief of Staff, 1998 – 2000.
Secretary, Medical Staff, 1995 – 1997.

Medical Education Committee, Southern New Hampshire Medical Center, Nashua, NH 1999-2000.

Medical Records and Utilization Review Committee, Southern New Hampshire Medical Center, Nashua, NH 1991 – 1992.

New Hampshire Medical Society, Hillsborough County Representative and Executive Committee, 1992.

Physician Advisor, Pulmonary Rehabilitation Task Force, American Lung Association of NH, 1996 – 1998.

Professional Society Membership:

American College of Chest Physicians
American College of Physicians
American College of Physician Executives
American Academy of Sleep Medicine
American Thoracic Society
New Hampshire Medical Society

Honors:

"Extraordinary Women Recognition Award", Nashua Telegraph, for excelling in business, philanthropy, community service and leadership, 2013.

Innovators award for Healthcare Improvement, New Hampshire Hospital Association, 2009.

Local Legends Award, American Medical Women's Association, 2004.

Medical Staff Award, New Hampshire Hospital Association, 2000.

Distinguished Woman Leader Award, YWCA, 1996, 1999.

Fellow, American Academy of Sleep Medicine

Fellow, American College of Chest Physicians

Fellow, American College of Physicians

Goldberger Clinical Nutrition Fellowship @Brigham and Women's Hospital, American Medical Association,1982.

Non-Professional Activities:

Regional Interviewer, Undergraduate Admissions, Brown University, 1989 – 2005, 2008-2011, 2014 - present.

Nashua Community:

WZID FM Radio "Dr. Stephanie", 2004-2012.

Member, Nashua Rotary West 1999 – Present.

INSPIRE Pulmonary Support Group Foundation,
Founder & President of this non-profit support group for

individuals with respiratory disease. 1994 – Present.

Resume

LISA K. MADDEN, MSW, LICSW(MA)

PROFESSIONAL EXPERIENCE

Southern New Hampshire Health, Nashua, NH

Associate Vice President of Behavioral Health, 7/15 to present

Responsible for the oversight of inpatient and outpatient behavioral health services at both the Medical Center and Foundation Medical Partners.

• Support the physicians, allied health professionals and clinicians in the provision of comprehensive behavioral health services including inpatient behavioral health, partial hospital services, substance abuse intensive outpatient services, emergency psychiatric services, integrated care and psychiatric consultation services to Foundation Medical Partners providers.

• Participate in coalitions, task forces and other forums to assist with developing a collaborative response to the growing mental health and substance abuse issues impacting our community.

• Assist with training the all levels of staff in the health system on issues related to behavioral health

• Active member of Senior Management for both the Medical Center and Foundation Medical Partners.

• Assist with program development, population health initiatives, value based compensation models of payment, patient centered medical home implementation.

Center for Life Management, Derry, NH

Vice President and Chief Operating Officer, 6/05 – 6/15

Responsible for the oversight of efficient operations of outpatient clinical systems of care in accordance with all federal and state requirements.

• Oversee all clinical services for the Community Mental Health Center for Region 10 in New Hampshire. Services include various therapeutic interventions, targeted case management, supported housing, wellness services, integrated care and community support services.

• Established and maintain clinical service goals and incentive pay for performance system within a financially self-sustaining model of care.

• Provide leadership for extensive program development. Responsible for the implementation and expansion of new or existing programs in response to community needs.

• Responsible for monitoring clinical and administrative costs and revenue generation as well as the submission of the annual program budgets to the President and CEO.

• Collaborate with the Vice President of Quality and Compliance to determine the training needs for clinical and administrative staff.

• Assist the President and CEO in developing short and long range strategic plan including program expansions, business development, facilities and capital usage and/or improvements.

• Responsible for the establishment and maintenance of an integrated care model which allows for seamless access to services within the agency, coordination of services with area healthcare providers, as well as provision of behavioral healthcare consultation services at the physicians offices.

• Assisted in the process of consolidating three sites into one new facility in July 2007. Primary responsibility for the expansion of services in Salem in September 2014.

• Worked closely with the COO of a local hospital to develop and expand a long term contract to provide emergency evaluation services at the hospital and to assist with disposition to appropriate level of care.

• Worked extensively with Senior Management to prepare for Medicaid Care Management in New Hampshire. Part of the team that established the first in the state per member per month contract with the MCO's inclusive of incentive metrics.

Lisa K. Madden, LICSW, LLC

Consultant, 6/04 – 6/05

Independent contractor providing consultation services to a community counseling center and a specialized foster care organization.

Interim Clinic Director, 8/04 – 5/05

Wayside Youth and Family Support, Framingham, MA
Responsible for the turnaround management of a large community counseling center in Framingham. Accomplishments include:
• Reorganized clinical team, supervisory structure and support staff functions
• Implemented necessary performance improvement plans
• Hired staff with significantly increased productivity expectations
• Assisted in the implementation of a new Performance Management and Billing System
• Worked diligently to foster a positive work environment through extensive verbal and written communication; staff involvement in decisions when appropriate; providing direct feedback when necessary; and by providing support. The goal was to foster a positive and cooperative "culture" in the clinic.
• Assisted senior management with budget development.
Clinical Supervisor, 7/04 – 6/05
The Mentor Network, Lawrence MA
• Provide clinical supervision to MSW's seeking independent licensure.
• Provide training and consultation to the staff on such topics as diagnostic evaluations, treatment plans and case presentations.
• Provide group support and trauma debriefing after a critical incident.

The Massachusetts Society for the Prevention of Cruelty to Children (MSPCC)
The Family Counseling Center
Northeast Regional Clinic Director, Lawrence, MA 12/99 – 9/03
Responsible for turnaround management of the clinics in the Northeast Region of MSPCC, specifically the cities of Lawrence, Lynn and Lowell. The clinics had been struggling with staff recruitment and retention, reduced revenue, poor management of contracts, as well as significant problems in the medical records department. Responsibilities included budget development, implementation and accountability. Accomplishments include:
• Grew clinical team from 15 to 32 clinicians in three years.
• Developed Multi-Cultural Treatment Team.
• Increased annual third party revenue by 70%; increased annual contract revenue by 65%.
• Contracts with the Department of Social Services; the Department of Mental Health in conjunction with the Professional Parent Advocacy League; the Department of Education and the Community Partnerships for Children and HeadStart.
• Organized a successful site visit for re-licensure from the Department of Public Health (DPH) as well as the Council on Accreditation (COA).
• Reorganized Medical Records to meet DPH and COA standards; reorganize claims support resulting in increased revenue received for services rendered and significantly reduced write-offs.
• Participated on the HIPAA Task force—assisted in the development and implementation of the federally mandated Health Information Portability and Accountability Act policies and procedures for MSPCC.
Clinic Director, Hyannis, MA 9/95-12/99
Responsible for the turnaround management of a regional clinic serving children and families on Cape Cod. The clinic had experienced over 70% turnover, significant reduction in revenue, and a series of very negative stories in the local media because of the agency's response to the implementation of managed care. Responsible for marketing and public relations; redevelopment of a high quality clinical treatment team; as well as, increasing revenue and program development. Accomplishments include:
• Grew clinical team from 12 to 37 in three years.
• Streamlined intake procedures to increase access to services and reduce wait times.
• Increased annual third party revenue by 80%.
• Developed consultative relationships with two of Cape Cod's most well respected children's services

providers.
• Developed first private/public partnership between MSPCC and a private practice to increase the availability of specialty clinical services.
• Developed internship program for Master's level clinician candidates.

North Essex Community Mental Health Center, (NECMHC, Inc.), Newburyport/Haverhill, MA
Employee Assistance Professional, Clinical Social Worker, 9/93-7/95

NECMHC, Inc., Newburyport/Haverhill, MA
Clinical Social Worker – Intern, 5/93-9/93

Worcester Children's Friend Society, Worcester, MA
Clinical Social Worker – Intern, 9/92-4/93

The Jernberg Corporation, Worcester, MA
EAP Case Management Supervisor, 4/90-4/93
EAP Case Manager, 2/89-4/90

The Carol Schmidt Diagnostic Center and Emergency Shelter, YOU, Inc., Worcester, MA, 10/85-2/89
Clinical Counselor I & II

EDUCATION
University of Connecticut, School of Social Work, West Hartford, CT
Masters in Social Work, Casework/Administration, August 1993

Clark University, Worcester, MA
Bachelor of Arts, Government/Human Services, May 1985

PROFESSIONAL LICENSE
Licensed Independent Clinical Social Worker, MA # 1026094

TEACHING
Mental Health Management, New England College, Graduate School
Summer 2007

PUBLICATION
Madden, Lisa K., 2009. Targeted Case Management Implementation at the Center for Life Management, Compliance Watch, volume 2, issue 3, p. 8-10.

References available upon request.

Key Personnel List

New Hampshire Department of Health and Human Services

Administrative Lead: Southern New Hampshire Health System
Region Number: Nashua (Region 3)

A	B	C
Name of Individual	**Title**	**Annual Salary**
Michael Rose	President and CEO	$480,002
Susan DeSocio	Senior Vice President SNHHS & President/CEO for FMP	$322,400
Paul Trainor	Senior Vice President Finance/CFO	$276,016
Program Director	TBD	TBD

Subject: IDN Administrative Lead (RFP-2016-OCOM-05-BUILD-04)

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 Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Catholic Medical Center		1.4 Contractor Address 100 McGregor Street Manchester, NH 03102	
1.5 Contractor Phone Number (603) 663-6040	1.6 Account Number 05-95-47-470010-52010000	1.7 Completion Date June 30, 2021	1.8 Price Limitation $135,000,000
1.9 Contracting Officer for State Agency Eric B. Borrin, Director		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Alexander J. Walker / EVP Operations + Strategy	

1.13 Acknowledgement: State of , County of

On 7/25/2016, 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~~

DOROTHY C. WELSH NOTARY PUBLIC NEW HAMPSHIRE COMMISSION EXPIRES MAY 8, 2019

[Seal]

Dorothy C Welsh

1.13.2 Name and Title of Notary or Justice of the Peace

Dorothy Welsh, Notary

1.14 State Agency Signature Date: 7-27-16	1.15 Name and Title of State Agency Signatory Jeffrey Meyers, 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: Megan A. Lyon Attorney	On: 8/5/16
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

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Date 7/25/2016

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 $1,000,000per 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.

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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 AJW

Date 7/25/2016

Scope of Services

1. Provisions Applicable to All Services

1.1. Language Assistance Services

The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. Future Legislative Action

The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Contract Period

The contract resulting from this RFP will be effective August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

1.4. Administrative Lead Contractual Role

The Contractor is the Administrative Lead for the Integrated Delivery Network (IDN) for Region 4 , described as Derry & Manchester, under the Department of Health and Human Services Delivery System Reform Incentive Payment Program. The Contractor shall understand and assume full responsibility for any and all obligations and liabilities as the Administrative Lead for the Region 4 IDN pursuant to this Contract and in compliance with the Special Terms and Conditions issued by the Centers for Medicare and Medicaid Services (CMS) for the *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1, which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* which are hereby incorporated by reference into this Contract as Exhibit L-1.

As the Administrative Lead, the Contractor shall act on behalf of the members organizations, documented in Exhibit K-1 of this Contract, of the Region 4 IDN, including entering this Contract, and receiving and distributing funds provided through this Contract, and in accordance with the Region 4 IDN's governance and management structure, as outlined in the IDN's approved Project Plan.

1.5. DHHS Approved IDN Application and Project Plans

The DHHS Approved IDN Application and Project Plans for the Region 4 IDN are hereby incorporated by reference into this Agreement as Exhibit L-2, and any DHHS approved revisions or the latter thereof. The Contractor shall provide services under this Agreement and consistent with these IDN-specific documents, in addition to the documents referenced in subsection 1.4 herein.

2. Statement of Work

2.1. Goals and Expectations for IDN

2.1.1. Composition and Region Served

2.1.1.1. The IDN shall be made up of multiple community-based social service organizations, hospitals, county facilities, primary care providers, and behavioral health providers (both mental health and substance use disorder). The Contractor shall ensure that it establishes with and maintains a clear business relationship between the IDN's component providers, including a joint budget and funding distribution plan that specifies the methodology for distributing funding to participating providers within the IDN. The funding distribution plan must comply with all applicable laws and regulations.

2.1.1.2. The IDN shall serve the geographic region designated by DHHS as Region 4.

2.1.1.3. The parties acknowledge and understand that IDN's member organizations are permitted to participate in multiple IDNs and are not limited to participation in the Region 4 IDN.

2.1.2. Partnering

2.1.2.1. The Contractor shall ensure that IDN member organizations partner with each other within the Region 4 IDN to design and implement DHHS and CMS approved projects, specific to New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1,* to build behavioral health (mental health and substance use disorder) capacity, promote integration of primary care and behavioral health, facilitate smooth transitions in care, and prepare for alternative payment models.

2.1.2.2. The Contractor shall ensure that the Region 4 IDN provides the full spectrum of care and related social services that might be needed by an individual with a behavioral health (mental health and/or substance use disorder) condition. At a minimum, the IDN shall include the following provider types as member organizations:

a. Primary care practices and facilities, serving the majority of Medicaid beneficiaries;
b. Substance use disorder (SUD) providers, including recovery providers, serving the majority of Medicaid beneficiaries;
c. Representation from Regional Public Health Networks;
d. One or more Regional Community Mental Health Centers;
e. Peer-based support and/or community health workers from across the full spectrum of care;
f. One or more hospitals;
g. One or more Federally Qualified Health Centers, Community Health Centers or Rural Health Clinics where available within a defined region;
h. Multiple community-based organizations that provide social and support services reflective of the social determinants of health for a variety of populations, such as transportation, housing, employment services,

financial assistance, childcare, veterans services, community supports, legal assistance, etc.

i. County facilities, such as nursing facilities and correctional institutions.

2.1.3. Goals

2.1.3.1. The Region 4 IDN shall build greater behavioral health capacity, improve integration of physical and behavioral health, and improve care transitions for Medicaid beneficiaries. Under this Contract, the achievement of these goals shall be supported by the IDN's ability to earn performance-based fiscal incentive payments for achieving specified process milestones and clinical outcome metric targets. These shall be achieved in compliance with the IDN's DHHS and CMS approved IDN application and Project Plan.

2.1.4. Administrative Functions

2.1.4.1. The Contractor shall fulfill the reporting and project management responsibilities described in its DHHS and CMS approved IDN Application, including at minimum: capturing, integrating and consolidating data from IDN partner organization as part of the periodic reporting to DHHS throughout the Contract Period. This shall include but not be limited to associated process and outcome metrics that must be reported for each calendar year 2017 through 2020 (Demonstration years 2 through 5) on a semi-annual basis for each stated goal or objective of a project undertaken as part of this Agreement. DHHS reserves the right to designate that some or all reporting requirements utilize standardized reporting forms and at minimum, those required by CMS. The Contractor shall utilize all required DHHS and CMS approved standardized reporting forms; any other reporting formats used by the Contractor shall be subject to DHHS approval.

2.1.4.2. The Contractor shall apply financial processes and controls to maintain its financial stability and ability, throughout the Contract Period, to ensure that transparency and accountability in the management and distribution of waiver funding to the IDN's partner organizations is achieved.

2.1.4.3. The Contractor shall ensure that the IDN participates in Alternative Payment Models that are adopted by DHHS with Medicaid Service delivery and Medicaid managed care plans.

2.1.4.4. The Contractor shall ensure that the Contractor and its IDN partner organizations participate in and collaborate with DHHS designees and agents of DHHS that are assigned to perform and fulfill certain roles and responsibilities under New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1*, including but not limited to the: Independent Assessor, Learning Collaborative leader, Demonstration Health Information Technology Taskforce leader, Demonstration Workforce Capacity leader, and Independent Evaluator, upon DHHS request.

3. Staffing

3.1. Minimum Staffing Requirements

3.1.1. The Contractor shall provide adequate numbers of professionally qualified staff to perform all required contracted services. At minimum, this shall include staff to fulfill the contractual responsibilities specified in Exhibit L-2, the IDN's DHHS approved application, and as required in Exhibits L-1.

3.1.2. The Contractor shall guarantee that all personnel providing the services required by the Contract are qualified to perform their assigned tasks and possess the appropriate professional certification and licensing that may be required by state and federal laws, rules and regulations.

3.1.3. DHHS shall be advised of, and approve in writing, any permanent or temporary changes to or deletions from the Contractor's key personnel who directly impact the management and provision of the contracted services described herein. This requirement shall not extend to the key personnel of the IDN's partner organizations unless such individuals also hold a role required of the Administrative Lead as specified in Exhibit L-1.

4. Compliance

4.1. Delegation and Subcontractors

4.1.1. The Contractor shall identify, and provide advance notice to DHHS, of any and all subcontractors to be utilized in fulfillment of its contractual responsibilities. DHHS reserves the right to accept or reject the use of any subcontractor.

4.2. Compliance with Federal Regulations

4.2.1. The Contractor shall ensure that the delivery of services shall be completed in compliance with the following Federal regulations:

4.2.1.1. Medicaid -42 U.S.C. §1396 et seq (Title XIX Social Security Act);

4.2.1.2. Managed Care Reporting-42 U.S.C. §438 et seq;

4.2.1.3. Transparency-42 C.F.R. 431.412;

4.2.1.4. American with Disabilities Act of 1990;

4.2.1.5. Title VI of the Civil Rights Act of 1964;

4.2.1.6. Section 504 of the Rehabilitation Act of 1973; and

4.2.1.7. Age Discrimination Act of 1975.

Exhibit B

Method and Conditions Precedent to Payment

1. The Contractor understands and agrees that no minimum or maximum payment to the Contractor is guaranteed by this Agreement. The Contractor understands and agrees that all payments under this Agreement are contingent upon the criteria set forth in Section 4 Payment and Funding Allocation of this Exhibit B. The Contractor understands and agrees that the Price Limitation identified in Block 1.8 of the General Provisions (P-37) represents the combined maximum possible payment for all Contractors for the duration of the Agreement. The Contractor understands and agrees that in no event shall the total amount of payments to all Contractors under *New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1* exceed the Price Limitation identified in Block 1.8 of the General Provisions (P-37).

    1.1. The Contractor, acting on behalf of the Integrated Delivery Network (IDN) serving Region 4, described as Derry & Manchester, shall be recognized by the Department of Health and Human Services (DHHS) as the Administrative Lead of this IDN. Payments to the Contractor are in the Contractor's official capacity as Administrative Lead for this IDN.

        1.1.1. Payments to the Contractor are in support of the approved IDN activities and projects authorized under this Agreement during the Contract Period. The Contractor shall distribute such payments to the Region 4 IDN's member organizations in accordance with its governance documents.

    1.2. The Contractor shall ensure that the Contractor and member organizations in the Region 4 IDN complete and execute an applicable Certificate of Authorization, as specified in Exhibit K.

        1.2.1. The Contractor shall provide to DHHS a notarized original of such Certificates executed by the Contractor upon the Contractor's execution of this Agreement. All such Certificates shall be contained in Exhibit K-1.

        1.2.2. Within ten (10) calendar days of a member organization joining the Region 4 IDN, the Contractor shall provide to DHHS a notarized original of the applicable Certificate, referenced in 1.2. above, that has been executed by a duly authorized representative of the member organization. Additionally, the Contractor shall provide to DHHS a notarized original of a Certificate of Vote/Authorization, issued by the member organization's leadership body that conferred such authorization.

        1.2.3. Should any member organization cease participation in the IDN during the Contract Period, the Contractor shall provide the Department a notarized copy of the withdrawal document developed by the Contractor and the organization within ten (10) calendar days of withdrawal of participation in the IDN, and the Contractor shall certify that the Contractor is acting in accordance with the plan specified in Exhibit L-2 for such withdrawals.

        1.2.4. The Contractor shall not disburse any funds from this contract to a member organization of the Region 4 IDN until such time as the applicable Certificates referenced in 1.2.2. above are executed and provided to DHHS.

Exhibit B

2. Contract period: August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

3. The Contractor understands and agrees that payments made under this Agreement are for the Contractor's fulfillment of the duties and responsibilities specified in this Agreement.

4. **Payment and Funding Allocation**:

Payments made under this Agreement shall be determined by DHHS in accordance with the payment methodology stated in Exhibit L-1, New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, Attachment D, DSRIP Program Funding and Mechanics Protocol, any revisions thereof, or the latest version as approved by the Centers for Medicare and Medicaid Services (CMS). DHHS determinations shall not be negotiable by the Contractor.

4.1. Payment Schedule

4.1.1. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, DHHS shall make a payment to the Contractor on behalf of the approved Region 4 IDN. This payment shall be in the amount of $1,392,857.

4.1.2. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, based on the Region 4 IDN's share of attributed Medicaid beneficiaries, DHHS shall make payment of $2,442,850 to the Contractor. The attribution of Medicaid beneficiaries for this payment purpose shall be set by DHHS and shall not be negotiable by the Contractor.

4.1.3. The payments specified in Subsections 4.1.1. and 4.1.2. above shall be used by the Contractor for costs incurred, on or after June 30, 2016 – the date DHHS approved the Region 4 IDN Application, and such costs are incurred by the Contractor to achieve metrics associated with the projects in the IDN's approved Project Plan or to sustain the metrics achieved through the Region 4 IDN's approved Project Plan and for otherwise allowable uses of incentive funds as described by DHHS in the Integrated Delivery Network (IDN) Application.

4.1.4. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *ii.*, based on the Region 4 IDN's share of attributed Medicaid beneficiaries, DHHS shall allocate and make payment to the Contractor of a proportional share of the IDN Transformation Fund, upon the IDN's successful submission and DHHS approval of the IDN's Project Plan. The attribution of Medicaid beneficiaries for this purpose shall be set by DHHS and considered final for the remainder of the contract period; the attribution shall not be negotiable by the Contractor.

4.1.5. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. b)., for calendar years 2017 through 2020, DHHS shall allocate the maximum amount of incentive funding annually available to be earned by the Region 4 IDN. Payment is conditional upon the Contractor's compliance with the Semi-Annual Reporting for IDN Project Achievement requirements specified in Exhibit L-1, or the latest CMS approved version thereof. DHHS shall make semi-annual incentive payments to the Contractor in accordance with the incentive payment methodology specified in Exhibit L-1, or

the latest CMS approved version thereof. Payment of the maximum amount of funding available is not guaranteed.

4.1.6. Funds paid to the IDNs are a combination of Federal Funds and previously appropriated State General Funds, drawn down by the State in accordance with the Special Terms and Conditions and all of the applicable protocols approved by CMS of New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1.* The Department has been authorized to date to accept and expend $44.7 million through June 30, 2017. The Department's authority to disburse additional waiver funds above this amount is contingent upon receipt of further legislative approval.

5. The services described in Exhibit A, Scope of Services, are funded with 50% General funds, and 50% Federal funds made available under:

CFDA #:	93.778
Federal Agency:	U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services
Program Title:	Medical Assistance Programs
FAIN:	TBD

6. Reporting

6.1. Upon DHHS and CMS approval of the Region 4 IDN's final IDN Project Plans, the Contractor shall submit quarterly expenditure reports within thirty (30) calendar days of each calendar year quarter for the remaining contract period. These reports shall identify variances in actual expenditures versus the final IDN Project Plan; the Contractor shall include written explanations for all such variances.

6.2. Contractor inquiries regarding allocations and payments made by DHHS to the Contractor shall be directed by the Contractor to the DHHS designee:

Athena Gagnon, Senior Medicaid Financial Manager
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
Email: agagnon@dhhs.state.nh.us

7. Notwithstanding anything to the contrary herein, the Contractor agrees that payments under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been 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 Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

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

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

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

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

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

16. **Equal Employment Opportunity Plan (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 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.

   4.1 The Department shall not make payment to the Contractor until federal waiver funds sufficient for such payment are made available to the Department through the federal claiming process under the terms and conditions of New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1.

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

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

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

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

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

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

3. Subparagraph 6. Retroactive Payments, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with:

   6. **Reserved**.

4. Subparagraph 7. Conditions of Purchase, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   7. **Reserved**.

5. Subparagraph 12. Completion of Services, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   12. **Completion of Services:** Disallowance of Costs: Upon the Department's fulfillment of the payments required in subparagraph 4.1 Payment Schedule of Exhibit B of this Contract, 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 continue until the end of the term of this Contract, provided however, that if, upon review of the Final Expenditure Report the Department disallows any expenses claimed by the Contractor as costs that are not allowable under the New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, 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.

6. **Agreement Elements:**

   6.1 The Agreement between the parties shall consist of the following, in descending order of precedence:

   6.1.1 General Provisions (P-37);
   6.1.2 Exhibit A Scope of Services;
   6.1.3 Exhibit B Methods and Conditions Precedent to Payment;
   6.1.4 Exhibit C Special Provisions;
   6.1.5 Exhibit C-1 Revisions to Special Provisions;
   6.1.6 Exhibit D Certification Regarding Drug-Free Workplace Requirements;
   6.1.7 Exhibit E Certification Regarding Lobbying;
   6.1.8 Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters;
   6.1.9 Exhibit G Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections;
   6.1.10 Exhibit H Certification Regarding Environmental Tobacco Smoke;
   6.1.11 Exhibit I Health Insurance Portability Act Business Associate Agreement;
   6.1.11 Exhibit J Certification Regarding the Federal Funding Accountability and Transparency Act (FFATA) Compliance;
   6.1.12 Exhibit K and K-1 IDN Administrative Lead and Member Entity Certificates of Authorization;
   6.1.13 Exhibit L-1 through L-2 New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1 Documents and IDN Application, revisions thereof, or the later DHHS and CMS approved version thereof, including Attachments, incorporated by reference; and
   6.1.14 RFP-2016-OCOM-05-BUILD

   6.2 In the event of any conflict or contradiction between or among the Agreement documents, the document higher in the order of precedence shall control.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

Contractor Name:

7/25/2016
Date

Name: Alexander J. Walker, Jr.
Title: EVP / Operations + Strategy

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:

7/25/2016
Date

Name: Alexander J. Walker, Jr.
Title: EVP/Operations + Strategy

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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

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

PRIMARY COVERED TRANSACTIONS

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

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

7/25/2016
Date

Name: Richard J. Walker, Jr.
Title: EVP/Operations & Strategy

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.

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:

7/25/2016
Date

Name: Alexander J. Walker, Jr.
Title: EVP / Operations + Strategy

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:

7/25/2016
Date

Name: Alexander J. Walker, Jr.
Title: EVP / Operations + Strategy

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

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

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

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

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

(3) Obligations and Activities of Business Associate.

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

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

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

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

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

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

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

The State	CATHOLIC MEDICAL CENTER Name of the Contractor
Signature of Authorized Representative	Signature of Authorized Representative
Jeffrey Meyers Name of Authorized Representative	ALEXANDER J. WALKER, JR. Name of Authorized Representative
Commissioner Title of Authorized Representative	EVP / OPERATIONS + STRATEGY Title of Authorized Representative
7.27.16 Date	7/25/2016 Date

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

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

7/25/2016
Date

Name: Alexander J. Walker, Jr.
Title: EVP / Operations + Strategy

Contractor Initials AJW
Date 7/25/2016

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: 827 021 382

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: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that _____ is a member of
(Administrative Lead)

_____, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that _____ fully understands its obligations as
(Administrative Lead)

Administrative Lead for _____ and
(IDN Name)

assumes full responsibility for any and all obligations and liabilities as Administrative Lead for _____ pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

_____
Signature of Elected/Appointed Officer

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____
(Name of individual signing on behalf of Administrative Lead)

or satisfactorily proven to be _____ and
(Name of individual signing on behalf of Administrative Lead)

acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____
Notary Public/Justice of the Peace

My Commission Expires: _____

ASW
7/25/2016

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Member Entity

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Member Entity)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Member Entity)

2) I hereby certify that _____, as a member of the
(Member Entity)

_____ Integrated Delivery Network
(IDN Name)

hereby authorizes _____ to act on our behalf
(Administrative Lead)

as the Administrative Lead for _____ IDN
(IDN Name)

and further authorizes _____ to enter into
(Administrative Lead)

contracts, receive and distribute funds, and perform all other actions required as the Administrative Lead for _____ IDN
(IDN Name)

pursuant to the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

3) The statements in this authorization are accurate and binding, and remain in full force and effect as of the date of this document.

4) The undersigned entity, as a member of the

_____understands and agrees that the
(IDN Name)

State of New Hampshire will rely on these statements when contracting with the

_____. This grant of authorization to
(Administrative Lead)

_____ shall be binding through the life of
(Administrative Lead)

the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract and shall survive its termination.

_____
Signature of Elected/Appointed Officer

ASO 7/28/16

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____ or
(Name of individual signing on behalf of Member Entity)
satisfactorily proven to be _____ and
(Name of individual signing on behalf of Member Entity)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____

Notary Public/Justice of the Peace

My Commission Expires: _____

ASD 7/25/2016

EXHIBIT K –1

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, Alexander J. Walker, Jr., hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)
duly elected/appointed Executive VP, Operations of Catholic Medical Center.
(Title/Position of ~~Signatory~~) (Administrative Lead)

2) I hereby certify that Catholic Medical Center is a member of
(Administrative Lead)
Region 4, a proposed Integrated Delivery
(IDN Name)
Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that Catholic Medical Center fully understands its obligations as
(Administrative Lead)
Administrative Lead for Region 4 and
(IDN Name)
assumes full responsibility for any and all obligations and liabilities as Administrative Lead for Region 4 pursuant to the Building
(IDN Name)
Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

State of New Hampshire

County of Hillsborough.

On this 8th day of July, 2016, before the undersigned officer personally appeared the person identified as Alexander J. Walker, Jr.
(Name of individual signing on behalf of Administrative Lead)
or satisfactorily proven to be Alexander J. Walker, Jr. and
(Name of individual signing on behalf of Administrative Lead)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

Dorothy C. Welsh
Notary Public/~~Justice of the Peace~~
My Commission Expires: 5/8/19

DOROTHY C. WELSH
MY COMMISSION EXPIRES MAY 8, 2019
NOTARY PUBLIC NEW HAMPSHIRE

Exhibit L-1

New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, *which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* any CMS approved revisions or the latter thereof are hereby incorporated by reference into this Contract as Exhibit L-1.

Exhibit L-2

The DHHS Approved IDN Application and Project Plans for the Region 4 IDN are hereby incorporated by reference into this Contract as Exhibit L-2, and any DHHS approved revisions or the latter thereof.

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CATHOLIC MEDICAL CENTER is a New Hampshire nonprofit corporation formed November 7, 1974. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.

In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 26th day of May A.D. 2016

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Donald St. Germain, Treasurer of Catholic Medical Center, do hereby certify that:

1. I am a duly elected Officer of Catholic Medical Center.

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on June 30, 2016:

RESOLVED: That entering into an agreement with the State through DHHS to serve as the Administrative Lead for IDN Region 4 of the Transformation Waiver is in the best interests of CMC and the community it serves, and that CMC is hereby authorized to enter into such an agreement.

RESOLVED: That Joseph Pepe, M.D., as President & CEO ("Dr. Pepe") and Alexander J. Walker, as Executive Vice President of Operations & Strategic Development ("Mr. Walker"), are each jointly and severally authorized to negotiate, execute and deliver on behalf of CMC, any required agreement(s) related to CMC's service as Administrative Lead of IDN Region 4 of the Transformation Waiver, and Dr. Pepe and Mr. Walker are further authorized to negotiate, execute and deliver such other documentation, and make such actions, as are necessary or desirable, in their discretion, to effect the foregoing resolutions.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 26th day of July, 2016.

4. Joseph Pepe, M.D. is the duly appointed President & Chief Executive Officer of the Agency and Alexander Walker, Esq., is the duly appointed Executive Vice President, Operations & Strategic Development.

Donald St. Germain
Catholic Medical Center's duly authorized Treasurer

STATE OF NEW HAMPSHIRE

County of HILLSBORO

The forgoing instrument was acknowledged before me this 26TH day of JULY, 2016,

By DONALD ST. GERMAIN.
(Name of Elected Officer of the Agency)

(Notary Public/Justice of the Peace)

(NOTARY SEAL)

STEVEN F. SCHEINER
Notary Public - New Hampshire
My Commission Expires October 7, 2020

Commission Expires: _____

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/14/2016

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

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

PRODUCER MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com Fax: 212-948-4377 715651-ALL-GAWUP-16-17	**CONTACT NAME:** **PHONE (A/C, No, Ext):** **FAX (A/C, No):** **E-MAIL ADDRESS:**
INSURED CMC HEALTHCARE SYSTEM 100 MCGREGOR STREET MANCHESTER, NH 03102	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** Pro Select Insurance Company **INSURER B :** N/A — N/A **INSURER C :** N/A — N/A **INSURER D :** Safety National Casualty Corp. — 15105 **INSURER E :** Affiliated FM Insurance Company — 10014 **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** NYC-008496791-02 **REVISION NUMBER:** 12

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:			002NH000016052	07/01/2016	07/01/2017	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG [ ]	$ 1,000,000 $ 50,000 $ 5,000 $ 1,000,000 $ 3,000,000 $ 3,000,000 $
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS [ ]						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) [ ]	$ $ $ $ $
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE [ ]	$ $ $
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [N] N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			SP 4053316 *SIR $750,000'	07/01/2016	07/01/2017	X PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
E	PROPERTY *Other deductibles may apply			AY950 as per policy terms and conditions.	07/01/2016	07/01/2017	LIMIT DEDUCTIBLE	1,000,000 25,000

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

SHOULD THE ABOVE DESCRIBED GENERAL LIABILITY POLICY BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, 30 DAYS NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

CERTIFICATE HOLDER

DEPARTMENT OF HEALTH AND HUMAN SERVICES
129 PLEASANT STREET
CONCORD, NH 03301-3857

CANCELLATION

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

AUTHORIZED REPRESENTATIVE of Marsh USA Inc.

Susan Molloy — Susan Molloy

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CMC

CATHOLIC MEDICAL CENTER

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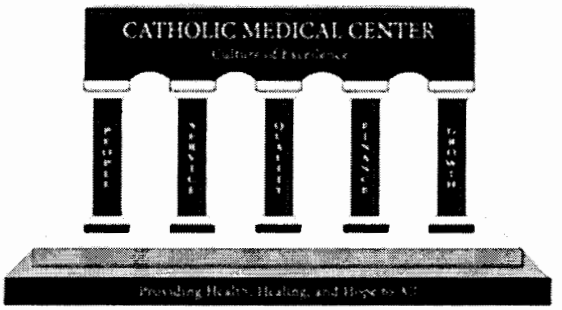

Our Mission

The heart of Catholic Medical Center is to provide health, healing, and hope in a manner that offers innovative high quality services, compassion, and respect for the human dignity of every individual who seeks or needs our care as part of Christ's healing ministry through the Catholic Church.

BAKER NEWMAN NOYES

Baker Newman & Noyes, LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
CMC Healthcare System, Inc.

We have audited the accompanying consolidated financial statements of CMC Healthcare System, Inc., which comprise the consolidated balance sheets as of June 30, 2015 and 2014, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CMC Healthcare System, Inc. as of June 30, 2015 and 2014, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
September 22, 2015

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED BALANCE SHEETS

June 30, 2015 and 2014

ASSETS

	2015	2014
Current assets:		
Cash and cash equivalents	$ 40,498,040	$ 54,632,046
Short-term investments	26,347,421	26,173,541
Accounts receivable, less allowances of $22,313,634 in 2015 and $23,528,991 in 2014	39,747,323	30,310,791
Inventories	2,124,292	2,010,411
Other current assets	5,602,808	5,200,218
Total current assets	114,319,884	118,327,007
Property, plant and equipment, net	94,475,346	86,989,397
Other assets:		
Notes receivable, less allowance of $793,885 in 2015 and $800,000 in 2014	–	72,648
Unamortized debt issuance costs	753,919	840,257
Intangible assets and other	15,873,415	13,819,980
	16,627,334	14,732,885
Assets whose use is limited:		
Pension and insurance obligations	12,333,513	14,246,337
Board designated and donor restricted investments	99,418,553	98,454,431
Held by trustee under revenue bond agreements	6,126,802	6,080,586
	117,878,868	118,781,354
Total assets	$343,301,432	$338,830,643

LIABILITIES AND NET ASSETS

	2015	2014
Current liabilities:		
Accounts payable and accrued expenses	$ 23,127,002	$ 18,398,696
Accrued salaries, wages and related accounts	17,336,306	16,167,406
Amounts payable to third-party payors	10,535,852	10,125,881
Current portion of long-term debt	4,158,725	3,501,677
Total current liabilities	55,157,885	48,193,660
Accrued pension and other liabilities, less current portion	99,928,417	77,844,763
Long-term debt, less current portion	73,228,396	74,725,889
Total liabilities	228,314,698	200,764,312
Commitments and contingencies		
Net assets:		
Unrestricted	106,340,093	129,375,771
Temporarily restricted	330,158	528,802
Permanently restricted	8,316,483	8,161,758
Total net assets	114,986,734	138,066,331
Total liabilities and net assets	$343,301,432	$338,830,643

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2015 and 2014

	2015	2014
Net patient service revenues, net of contractual allowances and discounts	$353,523,655	$337,728,005
Provision for doubtful accounts	(22,761,992)	(24,345,766)
Net patient service revenues less provision for doubtful accounts	330,761,663	313,382,239
Other revenue	16,165,545	15,789,771
Disproportionate share funding	2,452,816	3,136,409
Total revenues	349,380,024	332,308,419
Expenses:		
Salaries, wages and fringe benefits	194,420,537	175,601,678
Supplies and other	117,990,069	114,948,304
New Hampshire Medicaid enhancement tax	14,962,857	13,865,109
Depreciation and amortization	11,770,922	11,045,450
Interest	3,211,000	3,887,160
Total expenses	342,355,385	319,347,701
Income from operations	7,024,639	12,960,718
Nonoperating gains (losses):		
Investment income	2,544,837	2,101,361
Net realized gains on sale of investments	1,118,293	5,197,478
Loss on sale of property and equipment	–	(1,025,395)
Other nonoperating gain (loss)	11,988	(32,485)
Total nonoperating gains, net	3,675,118	6,240,959
Excess of revenues and gains over expenses	10,699,757	19,201,677
Unrealized (depreciation) appreciation on investments	(1,785,737)	7,081,308
Assets released from restriction used for capital	272,000	142,525
Pension-related changes other than net periodic pension cost	(32,221,698)	(239,805)
(Decrease) increase in unrestricted net assets	(23,035,678)	26,185,705
Unrestricted net assets at beginning of year	129,375,771	103,190,066
Unrestricted net assets at end of year	$106,340,093	$129,375,771

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2015 and 2014

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
Balances at June 30, 2013	$103,190,066	$ 191,861	$7,281,983	$110,663,910
Excess of revenues and gains over expenses	19,201,677	–	–	19,201,677
Investment income	–	1,083	3,346	4,429
Changes in interest in perpetual trust	–	–	740,821	740,821
Restricted contributions	–	500,599	–	500,599
Unrealized appreciation on investments	7,081,308	–	135,608	7,216,916
Assets released from restriction used for operations	–	(22,216)	–	(22,216)
Assets released from restriction used for capital	142,525	(142,525)	–	–
Pension-related changes other than net periodic pension cost	(239,805)	–	–	(239,805)
	26,185,705	336,941	879,775	27,402,421
Balances at June 30, 2014	129,375,771	528,802	8,161,758	138,066,331
Excess of revenues and gains over expenses	10,699,757	–	–	10,699,757
Investment income	–	1,137	1,177	2,314
Changes in interest in perpetual trust	–	–	167,919	167,919
Restricted contributions	–	94,278	–	94,278
Unrealized depreciation on investments	(1,785,737)	–	(14,371)	(1,800,108)
Assets released from restriction used for operations	–	(22,059)	–	(22,059)
Assets released from restriction used for capital	272,000	(272,000)	–	–
Pension-related changes other than net periodic pension cost	(32,221,698)	–	–	(32,221,698)
	(23,035,678)	(198,644)	154,725	(23,079,597)
Balances at June 30, 2015	$106,340,093	$ 330,158	$8,316,483	$114,986,734

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2015 and 2014

	2015	2014
Operating activities:		
(Decrease) increase in net assets	$ (23,079,597)	$ 27,402,421
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,770,922	11,045,450
Pension-related changes other than net periodic pension cost	32,221,698	239,805
Restricted gifts and investment income	(96,592)	(505,028)
Net realized gains on sales of investments	(1,118,293)	(5,197,478)
Increase in interest in perpetual trust	(167,919)	(740,821)
Unrealized depreciation (appreciation) on investments	1,800,108	(7,216,916)
Change in fair values of interest rate swaps	(302,276)	(408,640)
Loss on sale of property and equipment	–	1,025,395
Bond discount/premium amortization	(287,748)	(306,808)
Changes in operating assets and liabilities:		
Accounts receivable, net	(9,436,532)	(3,045,729)
Inventories	(113,881)	(103,466)
Other current assets	(402,590)	(653,933)
Other assets	(2,124,049)	(599,695)
Accounts payable and accrued expenses	4,728,306	1,444,686
Accrued salaries, wages and related accounts	1,168,900	1,977,844
Amounts payable to third-party payors	409,971	(1,219,234)
Accrued pension and other liabilities	(9,866,976)	(7,918,887)
Net cash provided by operating activities	5,103,452	15,218,966
Investing activities:		
Purchases of property, plant and equipment	(16,007,424)	(11,888,199)
Payments received from notes receivable	72,648	74,929
Net change in assets held by trustee under revenue bond agreements	(46,216)	(1,101,525)
Proceeds from sales of investments	51,291,663	38,417,650
Purchases of investments	(51,030,737)	(65,059,288)
Net cash used by investing activities	(15,720,066)	(39,556,433)
Financing activities:		
Payments on long-term debt	(2,740,044)	(1,556,140)
Settlement of interest rate swap	–	(2,327,000)
Payments on capital leases	(873,940)	(687,315)
Restricted gifts and investment income	96,592	505,028
Net cash used by financing activities	(3,517,392)	(4,065,427)
Decrease in cash and cash equivalents	(14,134,006)	(28,402,894)
Cash and cash equivalents at beginning of year	54,632,046	83,034,940
Cash and cash equivalents at end of year	$ 40,498,040	$ 54,632,046
Noncash investing and financing activities:		
Assets acquired under capital lease agreements	$ 3,061,287	$ 399,480

See accompanying notes.

1. Organization

CMC Healthcare System, Inc. (the System) is a not-for-profit organization formed effective July 1, 2001. The System functions as the parent company and sole member of Catholic Medical Center (the Medical Center), Physician Practice Associates, Inc. (PPA), Alliance Enterprises, Inc. (Enterprises), Alliance Resources, Inc. (Resources), Alliance Ambulatory Services, Inc. (AAS), CMC Ancillary Health Services, LLC (CAHS) (newly formed organization in 2015), Alliance Health Services, Inc. (AHS), Doctors Medical Association, Inc. (DMA) and St. Peter's Home, Inc.

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting.

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center, PPA, Enterprises, Resources, AAS, CAHS, AHS, DMA and St. Peter's Home, Inc. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The primary estimates relate to collectibility of receivables from patients and third-party payors, amounts payable to third-party payors, accrued compensation and benefits, conditional asset retirement obligations, and self-insurance reserves.

Income Taxes

The System and all related entities, with the exception of Enterprises and CAHS, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the consolidated financial statements.

2. Significant Accounting Policies (Continued)

Enterprises and CAHS are for-profit organizations and, in accordance with federal and state tax laws, file income tax returns. There was no provision for income taxes for each of the years ended June 30, 2015 and 2014. There are no significant deferred tax assets or liabilities. These entities have concluded there are no significant uncertain tax positions requiring disclosure and there is no material liability for unrecognized tax benefits. It is the policy of these entities to recognize interest related to unrecognized tax benefits in interest expense and penalties in income tax expense.

With few exceptions, the System is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2012.

Performance Indicator

Excess of revenues and gains over expenses is comprised of operating revenues and expenses and nonoperating gains and losses. For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains or losses, which include contributions, realized gains and losses on the sales of securities and property and equipment, unrestricted investment income, and contributions to community agencies.

Charity Care

The System has a formal charity care policy under which patient care is provided to patients who meet certain criteria without charge or at amounts less than its established rates. The System does not pursue collection of amounts determined to qualify as charity care; therefore, they are not reported as revenues.

Of the System's $342 million and $319 million total expenses reported in 2015 and 2014, respectively, an estimated $6.7 million and $13.6 million, respectively, arose from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the System's total expenses divided by gross patient service revenue.

Concentration of Credit Risk

Financial instruments which subject the System to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the System's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The System's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. The System's investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the SSGA S&P 500 Tobacco Free Fund as of June 30, 2015 and 2014.

2. Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include certificates of deposit with maturities of three months or less when purchased and investments in overnight deposits at various banks. Cash and cash equivalents exclude amounts whose use is limited by board designation and amounts held by trustees under revenue bond and other agreements. The System maintains approximately $38,000,000 and $49,000,000 at June 30, 2015 and 2014, respectively, of its cash and cash equivalent accounts with a single institution. The System has not experienced any losses associated with deposits at this institution.

Net Patient Service Revenues and Accounts Receivable

The System has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the System provides a discount approximately equal to that of its largest private insurance payors.

The provision for doubtful accounts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. The System records a provision for doubtful accounts in the period services are provided related to self-pay patients, including both uninsured patients and patients with deductible and copayment balances due for which third-party coverage exists for a portion of their balance.

Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience. The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts. The decrease in the provision for doubtful accounts in 2015 is driven primarily by revisions made in fiscal year 2014 to the System's charity care policy eligibility. Accounts receivable are written off after collection efforts have been followed in accordance with internal policies.

Inventories

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

2. Significant Accounting Policies (Continued)

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase or fair value at the time of donation, less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provisions for depreciation and amortization have been determined using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives, which range from 2 to 40 years. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Conditional Asset Retirement Obligations

The System recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred, in accordance with the Accounting Standards for *Accounting for Asset Retirement Obligations* (ASC 410-20). When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statement of operations.

As of June 30, 2015 and 2014, $1,185,801 and $1,215,036, respectively, of conditional asset retirement obligations are included within accrued pension and other liabilities in the accompanying consolidated balance sheets.

Goodwill

The System reviews its goodwill and other long-lived assets annually to determine whether the carrying amount of such assets is impaired. Upon determination that an impairment has occurred, these assets are reduced to fair value. There were no impairments recorded for the years ended June 30, 2015 and 2014.

Retirement Benefits

The Catholic Medical Center Pension Plan (the Plan) provides retirement benefits for certain employees of the Medical Center and PPA who have attained age twenty-one and work at least 1,000 hours per year. The Plan consists of a benefit accrued to July 1, 1985, plus 2% of plan year earnings (to legislative maximums) per year. The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as may be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

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

Effective January 1, 2008 the Medical Center decided to close participation in the Plan to new participants. As of January 1, 2008, current participants continued to participate in the Plan while new employees receive a higher matching contribution to the tax-sheltered annuity benefit program discussed below.

During 2011, the Board of Trustees voted to freeze the accrual of benefits under the Plan effective December 31, 2011.

The System also maintains tax-sheltered annuity benefit programs in which it matches one half of employee contributions up to 3% of their annual salary, depending on date of hire. The System made matching contributions under the program of $6,005,553 and $5,584,205 for the years ended June 30, 2015 and 2014, respectively.

During 2007, the Medical Center created a nonqualified deferred compensation plan covering certain employees under Section 457(b) of the Code. Under the plan, a participant may elect to defer a portion of their compensation to be held until payment in the future to the participant or his or her beneficiary. Consistent with the requirements of the Code, all amounts of deferred compensation, including but not limited to any investments held and all income attributable to such amounts, property, and rights will remain subject to the claims of the Medical Center's creditors, without being restricted to the payment of deferred compensation, until payment is made to the participant or their beneficiary. No contributions were made by the System for the years ended June 30, 2015 and 2014.

The System also provides a noncontributory supplemental executive retirement plan covering certain former executives of the Medical Center, as defined. The System's policy is to accrue costs under this plan using the "Projected Unit Credit Actuarial Cost Method" and to amortize past service costs over a fifteen year period. Benefits under this plan are based on the participant's final average salary, social security benefit, retirement income plan benefit, and total years of service. Certain investments have been designated for payment of benefits under this plan and are included in assets whose use is limited–pension and insurance obligations.

During 2007, the System created a supplemental executive retirement plan covering certain executives of the Medical Center. The System recorded compensation expense of $319,990 and $60,000 for the years ended June 30, 2015 and 2014, respectively, related to this plan.

Employee Fringe Benefits

The System has an "earned time" plan. Under this plan, each qualifying employee "earns" hours of paid leave for each pay period worked. These hours of paid leave may be used for vacations, holidays, or illness. Hours earned but not used are vested with the employee and are paid to the employee upon termination. The System expenses the cost of these benefits as they are earned by the employees.

2. Significant Accounting Policies (Continued)

Debt Issuance Costs/Original Issue Discount or Premium

The debt issuance costs incurred to obtain financing for the System's construction and renovation programs and refinancing of prior bonds and the original issue discount or premium are amortized using the straight-line method over the repayment period of the bonds. This approximates the effective interest method. The original issue discount or premium is presented as a component of bonds payable.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, pension and insurance obligations, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

Classification of 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 System has been limited by donors to a specific time period or purpose. When a donor restriction expires (i.e., 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 used for operations (for noncapital-related items and included in other revenue) or as net assets released from restrictions used for capital (for capital-related items).

Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity. Income earned on permanently restricted net assets, to the extent not restricted by the donor, including net unrealized appreciation on investments, is included in the consolidated statement of operations as unrestricted resources or as a change in temporarily restricted net assets in accordance with donor-intended purposes or applicable law.

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

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated financial statements. See Note 8 for further discussion regarding fair value measurements. Realized gains or losses on the sale of investment securities are determined by the specific identification method and are recorded on the settlement date. Unrealized gains and losses on investments are excluded from the excess of revenues and gains over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Interest and dividend income on unrestricted investments, unrestricted investment income on permanently restricted investments and unrestricted net realized gains/losses are reported as nonoperating gains.

2. Significant Accounting Policies (Continued)

Derivative Instruments

Derivatives are recognized as either assets or liabilities in the consolidated balance sheet at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivatives are recognized either in the excess of revenues and gains over expenses or net assets, depending on whether the derivative is speculative or being used to hedge changes in fair value or cash flows. See also note 5.

Beneficial Interest in Perpetual Trust

The System is the beneficiary of trust funds administered by trustees or other third parties. Trusts wherein the System has the irrevocable right to receive the income earned on the trust assets in perpetuity are recorded as permanently restricted net assets at the fair value of the trust at the date of receipt. Income distributions from the trusts are reported as investment income that increase unrestricted net assets, unless restricted by the donor. Annual changes in the fair value of the trusts are recorded as increases or decreases to permanently restricted net assets.

Investment Policies

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

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

Temporarily restricted funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

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

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4% to 5%, over a long-term time horizon.

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

2. Significant Accounting Policies (Continued)

Spending Policy for Appropriation of Assets for Expenditure

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

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal, including its appreciation, intact.

Federal Grant Revenue and Expenditures

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

Malpractice Loss Contingencies

The System has a claims-made basis policy for its malpractice insurance coverage. A claims-made basis policy provides specific coverage for claims reported during the policy term. The System has established a reserve to cover professional liability exposure, which may not be covered by insurance. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System. In the event a loss contingency should occur, the System would give it appropriate recognition in its consolidated financial statements in conformity with accounting standards. The System expects to be able to obtain renewal or other coverage in future periods.

In accordance with Accounting Standards Update (ASU) No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), at June 30, 2015 and 2014, the System recorded a liability of $11,977,416 and $11,447,463, respectively, related to estimated professional liability losses covered under this policy. At June 30, 2015 and 2014, the System also recorded a receivable of $8,060,416 and $7,435,463, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other liabilities, and intangible assets and other, respectively, on the consolidated balance sheets.

2. Significant Accounting Policies (Continued)

Workers' Compensation

The System maintains workers' compensation insurance under a self-insured plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the System against excessive losses. The System has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of $2,909,142 and $2,854,873 at June 30, 2015 and 2014, respectively, have been discounted at 1.25% and, in management's opinion, provide an adequate reserve for loss contingencies. At June 30, 2015, $1,270,628 and $1,638,514 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. The System has also recorded $266,399 and $379,572 within other current assets and intangible assets and other, respectively, in the accompanying consolidated balance sheets to limit the accrued losses to the retention amount at June 30, 2015. At June 30, 2014, $1,281,770 and $1,573,103 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. The System has also recorded $285,914 and $372,777 within other current assets and intangible assets and other, respectively, in the accompanying balance sheets to limit the accrued losses to the retention amount at June 30, 2014.

Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The System is insured above a stop-loss amount of $325,000 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at June 30, 2015 and 2014 of $1,744,516 and $1,376,638, respectively, are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately $794,000 and $1,092,000 for the years ended June 30, 2015 and 2014, respectively.

Recent Accounting Pronouncements

In April 2015, Financial Accounting Standards Board (FASB) issued ASU No. 2015-03, *Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). ASU 2015-03 simplifies the presentation of debt issuance costs and requires that the debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for the System's year ending June 30, 2017, with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2015-03 on the System's consolidated financial statements.

2. Significant Accounting Policies (Continued)

In May 2015, the FASB issued ASU No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07). ASU 2015-07 removes the requirement to include investments in the fair value hierarchy for which fair value is measured using the net asset value per share practical expedient under ASC 820. ASU 2015-07 is effective retrospectively for the System's year ending June 30, 2018, with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2015-07 on the System's consolidated financial statements.

Subsequent Events

Management of the System evaluated events occurring between the end of its fiscal year and September 22, 2015, the date the consolidated financial statements were available to be issued.

3. Net Patient Service Revenue

The following summarizes net patient service revenue for the years ended June 30:

	2015	2014
Gross patient service revenue	$969,527,343	$902,145,398
Less contractual allowances	616,003,688	564,417,393
Less provision for doubtful accounts	22,761,992	24,345,766
Net patient service revenue	$330,761,663	$313,382,239

The System maintains contracts with the Social Security Administration ("Medicare") and the State of New Hampshire Department of Health and Human Services ("Medicaid"). The System is paid a prospectively determined fixed price for each Medicare and Medicaid inpatient acute care service depending on the type of illness or the patient's diagnosis related group classification. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. The System receives payment for other Medicaid outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports.

Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known. The percentage of net patient service revenues earned from the Medicare and Medicaid programs was 35% and 5%, respectively, in 2015 and 36% and 4%, respectively, in 2014.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System believes that it is in compliance with all applicable laws and regulations; compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs (Note 14).

3. Net Patient Service Revenue (Continued)

The System also maintains contracts with certain commercial carriers, health maintenance organizations, preferred provider organizations and state and federal agencies. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee screens. The System does not currently hold reimbursement contracts which contain financial risk components.

The approximate percentages of patient service revenues, net of contractual allowances and discounts and provision for doubtful accounts for the years ended June 30, 2015 and 2014 from third-party payors and uninsured patients are as follows:

	Third-Party Payors	Uninsured Patients	Total All Payors
2015			
Patient service revenue, net of contractual allowance and discounts	99.35%	0.65%	100.0%
2014			
Patient service revenue, net of contractual allowance and discounts	98.7%	1.3%	100.0%

An estimated breakdown of patient service revenues, net of contractual allowances, discounts and provision for doubtful accounts recognized in 2015 and 2014 from major payor sources, is as follows:

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2015				
Private payors (includes coinsurance and deductibles)	$ 367,515,720	$164,384,699	$ 7,659,256	$ 195,471,765
Medicaid	90,215,052	73,061,175	580,630	16,573,247
Medicare	478,608,649	360,443,314	1,584,964	116,580,371
Self-pay	33,187,922	18,114,500	12,937,142	2,136,280
	$ 969,527,343	$616,003,688	$22,761,992	$ 330,761,663
2014				
Private payors (includes coinsurance and deductibles)	$ 334,759,047	$142,600,503	$ 6,520,130	$ 185,638,414
Medicaid	61,199,898	48,401,662	1,874,991	10,923,245
Medicare	446,277,944	331,879,729	1,640,875	112,757,340
Self-pay	59,908,509	41,535,499	14,309,770	4,063,240
	$ 902,145,398	$564,417,393	$24,345,766	$ 313,382,239

3. Net Patient Service Revenue (Continued)

The System recognizes changes in accounting estimates for net patient service revenues and third-party payor settlements as new events occur or as additional information is obtained. For the years ended June 30, 2015 and 2014, favorable adjustments recorded for changes to prior year estimates were approximately $2,400,000 and $349,000, respectively.

Medicaid Enhancement Tax and Disproportionate Share Payment

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of the Medical Center's net patient service revenues, with certain exclusions. The amount of tax incurred by the Medical Center for 2015 and 2014 was $14,962,857 and $13,865,109, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded in operating revenues and amounted to $2,452,816 in 2015 and $3,136,409 in 2014.

During 2014, the Centers for Medicare and Medicaid Services (CMS) began an audit of the State's program and the disproportionate share payments made by the State in 2011, the first year that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. At the date of these consolidated financial statements, CMS's audit was still in process, and the System has received no indication of adjustments, if any, that may be made to disproportionate share payments received in prior years. As such, no amounts have been reflected in the accompanying consolidated financial statements related to this contingency.

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. The System filed certain meaningful use attestations with CMS. Revenue totaling $1,397,358 and $2,348,944 associated with these meaningful use attestations is recorded as other revenue for the years ended June 30, 2015 and 2014, respectively.

4. Property, Plant and Equipment

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

	Useful Lives	2015	2014
Land and land improvements	2-40 years	$ 2,450,323	$ 2,475,944
Buildings and improvements	2-40 years	98,255,404	93,524,751
Fixed equipment	3-25 years	42,225,940	43,210,158
Movable equipment	3-25 years	104,692,236	102,989,943
Construction in progress		2,837,272	4,321,603
		250,461,175	246,522,399
Less accumulated depreciation and amortization		155,985,829	159,533,002
Net property, plant and equipment		$ 94,475,346	$ 86,989,397

Depreciation expense amounted to $11,582,762 and $10,860,481 for the years ended June 30, 2015 and 2014, respectively.

The cost of equipment under capital leases was $7,844,527 and $4,783,240 at June 30, 2015 and 2014, respectively. Accumulated amortization of the leased equipment at June 30, 2015 and 2014 was $3,906,353 and $2,854,542, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense.

5. Long-Term Debt and Note Payable

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

	2015	2014
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds:		
Series 2006 bonds with interest ranging from 4.875% to 5.00% per year and principal payable in annual installments ranging from $430,000 to $2,680,000 through July 2036	$30,430,000	$30,835,000
Series 2012 bonds with interest ranging from 4.00% to 5.00% per year and principal payable in annual installments ranging from $1,125,000 to $2,755,000 through July 2032	32,065,000	34,250,000
	62,495,000	65,085,000
Note payable – see below	8,456,208	8,606,252
	70,951,208	73,691,252
Capitalized lease obligations	4,285,560	2,098,213
Unamortized original issue premiums/discounts	2,150,353	2,438,101
	77,387,121	78,227,566
Less current portion	(4,158,725)	(3,501,677)
	$73,228,396	$74,725,889

5. Long-Term Debt and Note Payable (Continued)

In May 2006, the Medical Center, in connection with the Authority, issued $32,910,000 of tax-exempt fixed rate revenue bonds (Series 2006). Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.25. The Medical Center was in compliance with this covenant for the year ending June 30, 2015. The proceeds of the Series 2006 bond issue were used to advance refund $9,010,000 of Series 2002A bonds, to provide funding for renovating additional space and equipment at the Medical Center, and to provide a portion of the funding for the construction of a parking garage.

In December 2012, the Medical Center, in connection with the Authority, issued $35,275,000 of tax-exempt fixed rate revenue bonds (Series 2012). Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant for the year ending June 30, 2015. The proceeds of the Series 2012 bond issue were used to advance refund the remaining 2002A bonds, advance refund certain 2002B bonds, pay off a short term CAN note and fund certain capital purchases.

The Medical Center has an agreement with the Authority, which provides for the establishment of various funds, the use of which is generally restricted to the payment of debt. These funds are administered by a trustee, and income earned on certain of these funds is similarly restricted. One of the funds held by the trustee is a debt service reserve fund held solely for the benefit of the Series 2006 bonds. This fund may be used should the Medical Center fail to meet principal and interest payments on the Series 2006 bonds. The reserve fund requirement was $1,816,565 as of June 30, 2015. The reserve fund requirement was subsequently reduced to $557,864 as a result of the Series 2006 bonds being partially advanced refunded by the Series 2015A bonds as discussed in Note 15. Any amounts in excess of the requirements of the fund may be transferred at the direction of the Medical Center.

Interest paid by the System totaled $3,264,825 and $3,909,154 for the years ended June 30, 2015 and 2014, respectively.

Subsequent to the debt refinancing discussed in Note 15, aggregate principal payments due on the revenue bonds and other debt obligations for each of the five years ending June 30 and thereafter are as follows:

2016	$ 4,158,725
2017	4,248,463
2018	4,057,560
2019	12,013,416
2020	3,968,602
Thereafter	49,510,000
	$77,956,766

5. Long-Term Debt and Note Payable (Continued)

The fair value of the System's long-term debt is estimated using discounted cash flow analysis, based on the System's current incremental borrowing rate for similar types of borrowing arrangements. The fair value of the System's long-term debt, excluding capitalized lease obligations, was $72,751,175 and $75,023,322 at June 30, 2015 and 2014, respectively.

Pursuant to a Guaranty Agreement dated as of January 1, 1994 by and between Optima Health, Inc. (Optima) and the trustee for Hillcrest Terrace's (Hillcrest) Series 1994 bond issue, later transferred from Optima to the Medical Center, the Medical Center has guaranteed to fund, up to a maximum cumulative amount of $1,900,000, any deficiencies in Hillcrest's Debt Service Reserve Fund (the Reserve Fund) to the extent that the Reserve Fund value, as defined, is less than $800,000. The Medical Center has made cumulative payments of $251,564 as of June 30, 2015 and 2014 under this guarantee. The Medical Center has recorded a liability for the remaining $1,648,436 as of June 30, 2015 and 2014 within accrued pension and other liabilities in the accompanying consolidated balance sheets based upon management's estimate of future obligations.

MOB LLC Note Payable

During 2007, MOB LLC (a subsidiary of Enterprises) established a nonrevolving line of credit for $9,350,000 with a bank in order to fund construction of a medical office building. The line of credit bore interest at the LIBOR lending rate plus 1%. Payments of interest only were due on a monthly basis until the completed construction of the medical office. During 2008, the building construction was completed and the line of credit was converted to a note payable with payments of interest (at the one-month LIBOR rate plus 1.4%) (1.584% at June 30, 2015) and principal due on a monthly basis, with all payments to be made no later than April 1, 2018.

Derivatives

The System uses derivative financial instruments principally to manage interest rate risk. During 2005, the Medical Center entered into an interest rate swap agreement to replace an existing agreement signed in 2003. This agreement involved the exchange of fixed rate payments by the Medical Center for variable rate payments from the counterparty without the exchange of the underlying notional amounts. The notional amount for this agreement was $15,000,000, and the agreement was scheduled to expire in November 2024. Under the provisions of this agreement, interest was to be paid to the counterparty, by the Medical Center, at 67% of USD-LIBOR-BBA through the remainder of the term. On June 11, 2014, the 2005 swap agreement was terminated and the Medical Center paid $2,354,300 to settle this swap agreement, which included a swap payoff amount of $2,327,000 along with certain termination fees.

During 2007, MOB LLC entered into an interest rate swap agreement with an initial notional amount of $9,350,000 in connection with its line of credit. Under this agreement, MOB LLC pays a fixed rate equal to 5.21%, and receives a variable rate of the one-month LIBOR rate (0.184% at June 30, 2015). Payments under the swap agreement began April 1, 2008 and the agreement will terminate April 1, 2018.

The fair value of the MOB LLC interest rate swap agreement amounted to a liability of $993,543 and $1,295,819 as of June 30, 2015 and 2014, respectively, which amounts have been included within accrued pension and other liabilities in the accompanying consolidated balance sheets. The changes in the fair value of this derivative of $302,276 and $408,640 have been included within nonoperating investment income for the years ended June 30, 2015 and 2014, respectively.

6. Notes Receivable

During February 1994, Hillcrest, together with the Authority, restructured $26,000,000 of special obligation revenue bonds (Series 1990). The bondholder consented to an amendment of the Series 1990 bond indenture, which permitted the redemption of the Series 1990 bonds at a price of 85% of the par value thereof, or $22,100,000. The redemption was accomplished partially with the issuance of $18,950,000 of Series 1994 revenue bonds to the Authority. The Authority then loaned, under a Loan Agreement and Mortgage, the proceeds thereof to Hillcrest, which proceeds, after payment of certain issuance expenses and accrued interest on the Series 1990 bonds, were used to pay a portion of the redemption price of the Series 1990 bonds. In addition, certain funds deposited into the Series 1990 Reserve Fund were paid to Fidelity Health Alliance, Inc. (the Medical Center's former parent company and one of the organizations which formed Optima and hereinafter referred to as Optima) to repay earlier advances. Optima then loaned $2,581,528 to Hillcrest pursuant to a subordinated loan agreement. Hillcrest owed Optima $400,856, which was converted from a current obligation to a long-term obligation and included in the subordinated loan agreement resulting in a total of $2,982,384 owed to Optima. In conjunction with the disaffiliation from Optima effective July 1, 2000, the subordinated loan became payable to the Medical Center. Hillcrest used a portion of the subordinated loan to pay a portion of the redemption price of the Series 1990 bonds. Also, upon redemption of the Series 1990 bonds, $1,500,000 from the Series 1990 Reserve Fund was transferred to the Series 1994 Reserve Fund and the remaining amount, $1,074,000, of the Series 1990 Reserve Fund was used to pay a portion of the redemption price of the Series 1990 bonds. The subordinated loan is subordinated in all respects to the Series 1994 revenue bonds. During 2004, the subordinated loan was restructured by the Medical Center. The principal due was reduced. The new note bears interest at a stated rate of 5% per annum. The balance receivable from Hillcrest is $879,035 and $947,577 at June 30, 2015 and 2014, respectively. As of August 31, 2008, Hillcrest defaulted on their debt covenants. As a result, the Medical Center has reserved $793,885 and $800,000 at June 30, 2015 and 2014, respectively, against the note receivable in the event of default. As of June 30, 2015, all payments are current.

7. Operating Leases

The System has various noncancelable agreements to lease various pieces of medical equipment. The System also has noncancelable leases for office space. The System has also assumed lease obligations for physician practices that became provider based. Rental expense under all leases for the years ended June 30, 2015 and 2014 was $5,252,520 and $5,747,475, respectively.

Estimated future minimum lease payments under noncancelable operating leases are as follows:

2016	$ 3,087,236
2017	2,651,294
2018	2,585,825
2019	2,371,482
2020	2,328,245
Thereafter	13,424,334
	$26,448,416

8. Investments and Assets Whose Use is Limited

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

	2015		2014	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	$ 6,881,077	$ 6,881,077	$ 7,135,207	$ 7,135,207
U.S. federated treasury obligations	6,126,802	6,126,802	6,080,585	6,080,585
Marketable equity securities	32,268,622	27,825,251	31,492,795	25,952,651
Fixed income securities	47,478,003	47,755,164	47,416,164	46,870,479
Private investment funds	51,471,785	33,219,309	52,830,144	34,865,098
	$144,226,289	$121,807,603	$144,954,895	$120,904,020

Investment income and realized gains and losses and unrealized appreciation (depreciation) is summarized as follows:

	2015	2014
Unrestricted:		
Nonoperating investment income	$ 2,544,837	$ 2,101,361
Realized gains on sales of investments, net	1,118,293	5,197,478
Change in unrealized (depreciation) appreciation on investments	(1,785,737)	7,081,308
	$ 1,877,393	$14,380,147
Restricted:		
Investment income	$ 2,314	$ 4,429
Change in unrealized (depreciation) appreciation on investments	(14,371)	135,608
Changes in interest in perpetual trust	167,919	740,821
	$ 155,862	$ 880,858

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In determining fair value, the use of various valuation approaches, including market, income and cost approaches, is permitted.

A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

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

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the System for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 — Observable inputs such as quoted prices in active markets;

Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 — Unobservable inputs in which there is little or no market data.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

For the fiscal years ended June 30, 2015 and 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

U.S. Treasury Obligations and Fixed Income Securities

The fair value is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds fixed income mutual funds and exchange traded funds, governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are primarily classified as Level 1 within the fair value hierarchy.

Marketable Equity Securities

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

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

Private Investment Funds

The System invests in private investment funds that consist primarily of limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment manager from time to time, usually monthly and/or quarterly. These investments are classified as Level 2 or 3, depending on the redemption terms.

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

The following fair value hierarchy tables present information about the System's assets and liabilities measured at fair value on a recurring basis based upon the lowest level of significant input to the valuations.

	Level 1	Level 2	Level 3	Total
2015				
Cash and cash equivalents	$ 6,881,077	$ –	$ –	$ 6,881,077
U.S. federated treasury obligations	6,126,802	–	–	6,126,802
Marketable equity securities	32,268,622	–	–	32,268,622
Fixed income securities	47,478,003	–	–	47,478,003
Private investment funds	–	42,682,205	8,789,580	51,471,785
Total assets at fair value	$92,754,504	$42,682,205	$ 8,789,580	$144,226,289
Interest rate swap	$ –	$ –	$ (993,543)	$ (993,543)
2014				
Cash and cash equivalents	$ 7,135,207	$ –	$ –	$ 7,135,207
U.S. federated treasury obligations	6,080,585	–	–	6,080,585
Marketable equity securities	31,492,795	–	–	31,492,795
Fixed income securities	47,416,164	–	–	47,416,164
Private investment funds	–	42,729,029	10,101,115	52,830,144
Total assets at fair value	$92,124,751	$42,729,029	$10,101,115	$144,954,895
Interest rate swap	$ –	$ –	$(1,295,819)	$ (1,295,819)

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

The following tables present the assets and liabilities carried at fair value as of June 30, 2015 and 2014 that are classified within Level 3 of the fair value hierarchy. The tables reflect gains and losses for the year. Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the System has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within Level 3 may include changes in fair value that were attributable to both observable and unobservable inputs.

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)	
	Private Investment Funds	Interest Rate Swap
Balance at June 30, 2013	$12,126,858	$(4,031,459)
Realized gains	724,352	–
Sales	(3,019,817)	–
Swap termination	–	2,327,000
Unrealized gains	269,722	408,640
Balance at June 30, 2014	10,101,115	(1,295,819)
Realized gains	566,976	–
Sales	(2,000,000)	–
Unrealized gains	121,489	302,276
Balance at June 30, 2015	$ 8,789,580	$ (993,543)

There were no significant transfers between Levels 1, 2 or 3 for the years ended June 30, 2015 and 2014.

In 2009, new guidance related to the Fair Value Measurement standard was issued for estimating the fair value of investments in investment companies (limited partnerships) that have a calculated value of their capital account or net asset value (NAV) in accordance with or in a manner consistent with U.S. GAAP. The System is permitted under U.S. GAAP to estimate the fair value of an investment at the measurement date using the reported NAV without further adjustment unless the System expects to sell the investment at a value other than NAV, or if the NAV is not calculated in accordance with U.S. GAAP. The System's investments in private investment funds are recorded at fair value based on the most current NAV.

The System performs additional procedures, including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided, to ensure conformity with U.S. GAAP. The System has assessed factors including, but not limited to, managers' compliance with the Fair Value Measurement standard, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date.

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

The guidance also requires additional disclosures to enable users of the financial statements to understand the nature and risk of the System's investments. Furthermore, investments which can be redeemed at NAV by the System on the measurement date or in the near term are classified as Level 2. Investments which cannot be redeemed on the measurement date or in the near term are classified as Level 3. In accordance with this guidance, the table below sets forth additional disclosures for investment funds valued based on net asset value to further understand the nature and risk of the investments by category as of June 30, 2015 and 2014:

Category	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
2015				
Private investment funds –Level 2	$42,682,205	$ –	Daily/monthly	2-30 day notice
Private investment funds –Level 3	8,789,580	–	Quarterly/ annually	1-2 year lockup with 65-95 day notice
2014				
Private investment funds –Level 2	$42,729,029	$ –	Daily/monthly	2-30 day notice
Private investment funds –Level 3	10,101,115	–	Quarterly/ annually	1-2 year lockup with 60-95 day notice

Investment Strategies

U.S. Federated Treasury Obligations and Fixed Income Securities

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

Marketable Equity Securities

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

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

Private Investment Funds

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

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts receivable, accounts payable and accrued expenses, amounts payable to third-party payors and long-term debt. The fair value of all financial instruments other than long-term debt approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. See Note 5 for disclosure of the fair value of long-term debt.

9. Retirement Benefits

A reconciliation of the changes in the Catholic Medical Center Pension Plan, the Medical Center's Supplemental Executive Retirement Plan and the New Hampshire Medical Laboratories Retirement Income Plan projected benefit obligations and the fair value of assets for the years ended June 30, 2015 and 2014, and a statement of funded status of the plans as of June 30 for both years follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Changes in benefit obligations:						
Projected benefit obligations at beginning of year	$(221,842,560)	$(201,367,482)	$(5,118,270)	$(5,136,340)	$(2,763,275)	$(2,593,904)
Service cost	(700,000)	(625,000)	–	–	(15,000)	(15,000)
Interest cost	(10,007,872)	(9,576,309)	(175,754)	(197,511)	(107,000)	(113,552)
Benefits paid	5,033,040	4,551,682	466,642	489,771	122,078	114,499
Actuarial loss	(22,685,780)	(15,480,194)	(284,460)	(274,190)	(89,029)	(168,114)
Expenses paid	188,309	654,743	–	–	2,350	12,796
Projected benefit obligations at end of year	(250,014,863)	(221,842,560)	(5,111,842)	(5,118,270)	(2,849,876)	(2,763,275)
Changes in plan assets:						
Fair value of plan assets at beginning of year	172,988,705	143,507,222	–	–	2,166,581	1,914,484
Actual return on plan assets	885,682	24,687,908	–	–	10,348	320,392
Employer contributions	10,000,000	10,000,000	466,642	489,771	121,000	59,000
Benefits paid	(5,033,040)	(4,551,682)	(466,642)	(489,771)	(122,078)	(114,499)
Expenses paid	(188,309)	(654,743)	–	–	(2,350)	(12,796)
Fair value of plan assets at end of year	178,653,038	172,988,705	–	–	2,173,501	2,166,581
Funded status of plan at June 30	$ (71,361,825)	$ (48,853,855)	$(5,111,842)	$(5,118,270)	$ (676,375)	$ (596,694)

9. Retirement Benefits (Continued)

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Amounts recognized in the consolidated balance sheets consist of:						
Current liability	$ –	$ –	$ (445,591)	$ (446,695)	$ –	$ –
Noncurrent liability	(71,361,825)	(48,853,855)	(4,666,251)	(4,671,575)	(676,375)	(596,694)
Net amount recognized	$ (71,361,825)	$ (48,853,855)	$ (5,111,842)	$ (5,118,270)	$ (676,375)	$ (596,694)

The net loss for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is $2,639,857.

The current portion of accrued pension costs included in the above amounts for the System amounted to $445,591 and $446,695 at June 30, 2015 and 2014, respectively, and has been included in accounts payable and accrued expenses.

In 2015, the System began to use the RP-2014 mortality tables, which in general has longer life expectancies than the older tables used, which had an impact on the projected benefit obligation.

The amounts recognized in unrestricted net assets for the years ended June 30, 2015 and 2014 consist of:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Amounts recognized in the consolidated balance sheets – total plan:						
Unrestricted net assets:						
Net loss	$ (97,927,049)	$ (66,012,550)	$ (2,678,302)	$ (2,538,078)	$ (1,479,988)	$ (1,306,677)
Net amount recognized	$ (97,927,049)	$ (66,012,550)	$ (2,678,302)	$ (2,538,078)	$ (1,479,988)	$ (1,306,677)

Net periodic pension cost includes the following components for the years ended June 30, 2015 and 2014:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Service cost	$ 700,000	$ 625,000	$ –	$ –	$ 15,000	$ 15,000
Interest cost	10,007,872	9,576,309	175,754	197,511	107,000	113,552
Expected return on plan assets	(12,253,677)	(10,872,113)	–	–	(149,744)	(140,079)
Amortization of actuarial loss	2,139,276	1,506,242	144,236	128,118	55,114	52,224
Net periodic pension cost	$ 593,471	$ 835,438	$ 319,990	$ 325,629	$ 27,370	$ 40,697

9. Retirement Benefits (Continued)

Other changes in plan assets and benefit obligations recognized in unrestricted net assets for the years ended June 30, 2015 and 2014 consist of:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Net loss (gain)	$34,053,775	$ 1,664,398	$ 284,460	$ 274,190	$228,425	$ (12,199)
Amortization of actuarial loss	(2,139,276)	(1,506,242)	(144,236)	(128,118)	(55,114)	(52,224)
Net amount recognized	$31,914,499	$ 158,156	$ 140,224	$ 146,072	$173,311	$ (64,423)

The investments of the plans are comprised of the following at June 30:

	Target Allocation Fiscal Year	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2015	2014	2015	2014	2015	2014
Marketable equity securities	70.0%	70.1%	71.4%	0.0%	0.0%	70.1%	71.4%
Fixed income securities	20.0	20.0	17.1	0.0	0.0	20.0	17.1
Other	10.0	9.9	11.5	0.0	0.0	9.9	11.5
	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%

The assumption for the long-term rate of return on plan assets has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

The weighted-average assumptions used to determine the defined benefit pension plan obligations at June 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Discount rate	4.51%	4.37%	3.74%	3.53%	4.15%	3.97%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A

9. Retirement Benefits (Continued)

The weighted-average assumptions used to determine the defined benefit pension plan net periodic benefit costs for the years ended June 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2015	2014	2015	2014	2015	2014
Discount rate	4.37%	4.82%	3.53%	3.96%	3.97%	4.43%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Expected long-term return on plan assets	7.50	7.50	N/A	N/A	7.50	7.50

The expected employer contributions for the fiscal year ending June 30, 2016 are not expected to be significant.

The benefits, which reflect expected future service, as appropriate, expected to be paid for the years ending June 30 are:

	Catholic Medical Center Pension Plan	Pre-1987 Supplemental Executive Retirement Plan	New Hampshire Medical Laboratories Retirement Income Plan
2016	$ 6,599,280	$ 443,665	$149,489
2017	7,338,004	432,762	164,312
2018	8,183,597	421,194	171,414
2019	9,047,515	408,949	181,779
2020 - 2024	57,682,517	1,836,779	952,616

The Medical Center contributed $10,000,000, $466,642 and $121,000 to the Catholic Medical Center Pension Plan, the Pre-1987 Supplemental Executive Retirement Plan, and the New Hampshire Medical Laboratories Retirement Income Plan respectively, for the year ended June 30, 2015. The Medical Center plans to make any necessary contributions during the upcoming fiscal 2016 year to ensure the plans continue to be adequately funded given the current market conditions.

9. Retirement Benefits (Continued)

The following fair value hierarchy tables present information about the financial assets of the above plans measured at fair value on a recurring basis based upon the lowest level of significant input valuation as of June 30, 2015 and 2014:

	Level 1	Level 2	Level 3	Total
2015				
Cash and cash equivalents	$ 1,805,926	$ –	$ –	$ 1,805,926
Marketable equity securities	44,306,877	–	–	44,306,877
Fixed income securities	31,331,124	–	–	31,331,124
Private investment funds	–	89,847,709	13,534,903	103,382,612
Total assets at fair value	$77,443,927	$89,847,709	$13,534,903	$180,826,539
2014				
Cash and cash equivalents	$ 5,991,983	$ –	$ –	$ 5,991,983
Marketable equity securities	42,377,063	–	–	42,377,063
Fixed income securities	28,279,873	–	–	28,279,873
Private investment funds	–	85,776,198	12,730,169	98,506,367
Total assets at fair value	$76,648,919	$85,776,198	$12,730,169	$175,155,286

The following table presents the assets carried at fair values at June 30, 2015 and 2014 that are classified at Level 3 of the fair value hierarchy. The table reflects gains and losses for the year, including gains and losses on assets that were transferred to Level 3 as of June 30, 2015 and 2014. Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the System has classified within the Level 3 category. As a result, the unrealized gains and losses for assets within Level 3 may include changes in fair value that were attributable to both observable and unobservable inputs.

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3) Private Investment Funds	
	2015	2014
Balance, beginning of year	$12,730,169	$11,687,972
Realized gains	16	729
Unrealized gains	814,627	1,061,286
Sales	(9,909)	(19,818)
Balance, end of year	$13,534,903	$12,730,169

10. Community Benefits

The System rendered charity care in accordance with its formal charity care policy, which, at established charges, amounted to $19,649,927 and $39,047,794 for the years ended June 30, 2015 and 2014, respectively. Also, the System provides community service programs, without charge, such as the Medication Assistance Program, Community Education and Wellness, Patient Transport, and the Parish Nurse Program. The costs of providing these programs amounted to $716,119 and $789,719 for the years ended June 30, 2015 and 2014, respectively.

11. Functional Expenses

The System provides general health care services to residents within its geographic location including inpatient, outpatient and emergency care. Expenses related to providing these services are as follows at June 30:

	2015	2014
Health care services	$273,846,295	$256,063,051
General and administrative	68,509,090	63,284,650
	$342,355,385	$319,347,701

12. Concentration of Credit Risk

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

	2015	2014
Medicare	40%	39%
Medicaid	13	14
Commercial insurance and other	20	18
Patients (self pay)	10	14
Anthem Blue Cross	17	15
	100%	100%

13. Endowments

In July 2008, the State of New Hampshire enacted a version of UPMIFA (the Act). The new law, which had an effective date of July 1, 2008, eliminates the historical dollar threshold and establishes prudent spending guidelines that consider both the duration and preservation of the fund. As a result of this enactment, subject to the donor's intent as expressed in a gift agreement or similar document, a New Hampshire charitable organization may now spend the principal and income of an endowment fund, even from an underwater fund, after considering the factors listed in the Act.

At June 30, 2015 and 2014, the endowment net asset composition by type of fund consisted of the following:

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
2015				
Donor-restricted funds	$ –	$330,158	$8,316,483	$ 8,646,641
Board-designated funds	90,771,912	–	–	90,771,912
Total funds	$90,771,912	$330,158	$8,316,483	$99,418,553
2014				
Donor-restricted funds	$ –	$528,802	$8,161,758	$ 8,690,560
Board-designated funds	89,763,871	–	–	89,763,871
Total funds	$89,763,871	$528,802	$8,161,758	$98,454,431

Changes in endowment net assets consisted of the following for the fiscal years ended June 30:

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Balance at June 30, 2013	$77,880,226	$ 191,861	$7,281,983	$85,354,070
Investment return:				
Investment income	939,393	1,083	3,346	943,822
Net appreciation (realized and unrealized)	10,801,727	–	876,429	11,678,156
Total investment gain	11,741,120	1,083	879,775	12,621,978
Contributions	–	500,599	–	500,599
Appropriation for operations	–	(22,216)	–	(22,216)
Appropriation for capital	142,525	(142,525)	–	–
Balance at June 30, 2014	89,763,871	528,802	8,161,758	98,454,431

13. Endowments (Continued)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Investment return:				
Investment income	$ 1,224,364	$ 1,137	$ 1,177	$ 1,226,678
Net (depreciation) appreciation (realized and unrealized)	(488,323)	–	153,548	(334,775)
Total investment gain	736,041	1,137	154,725	891,903
Contributions	–	94,278	–	94,278
Appropriation for operations	–	(22,059)	–	(22,059)
Appropriation for capital	272,000	(272,000)	–	–
Balance at June 30, 2015	$90,771,912	$ 330,158	$8,316,483	$99,418,553

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the System to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2015 and 2014.

14. Commitments and Contingencies

Litigation

Various legal claims, generally incidental to the conduct of normal business, are pending or have been threatened against the System. The System intends to defend vigorously against these claims. While ultimate liability, if any, arising from any such claim is presently indeterminable, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the financial condition of the System.

Regulatory

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations are subject to government review and interpretations as well as regulatory actions unknown or unasserted at this time.

15. Subsequent Event

On September 3, 2015, the Authority issued $32,720,000 of Revenue Bonds, Catholic Medical Center Issue, Series 2015, consisting of the $24,070,000 aggregate principal amount Series 2015A Bonds and the $8,650,000 aggregate principal amount Series 2015B Bonds sold via direct placement to a financial institution. The Series 2015A Bonds were issued to provide funds for the purpose of (i) advance refunding a portion of the outstanding 2006 Bonds in an amount of $20,655,000 to the first call date of July 1, 2016, (ii) funding certain construction projects and equipment purchases in an amount of approximately $3,824,000, and (iii) paying the costs of issuance related to the Series 2015 Bonds.

The Series 2015B bonds were structured as drawdown bonds. Proceeds will be used together with other monies of the Medical Center to currently refund on July 1, 2016 the full amount of 2006 Bonds then outstanding which were not already advance refunded by the 2015A Bonds. The purchaser has agreed to advance funds available to be drawn through July 2016 up to a maximum principal of $8,650,000. There is no outstanding principal amount of the Series 2015B Bonds and this will only increase upon a drawdown of the proceeds from the purchaser by the Medical Center. The Medical Center expects to draw the full balance of the 2015B Bonds on July 1, 2016. The following table summarizes the principal amounts outstanding (funds drawn) and the balance of funds available to be drawn as of September 3, 2015, and the maximum principal amount for each of the respective Series 2015 Bonds:

	Principal Amount Outstanding	Balance Available to be Drawn	Maximum Principal Amount
2015 Series A	$24,070,000	$ –	$24,070,000
2015 Series B	–	8,650,000	8,650,000
	$24,070,000	$8,650,000	$32,720,000

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INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
CMC Healthcare System, Inc.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
September 22, 2015

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

June 30, 2015

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	CMC Ancillary Health Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Current assets:											
Cash and cash equivalents	$ 36,179,524	$ 331,293	$ 1,722,992	$ 25,585	$ 62,797	$ 94,550	$1,013,248	$ 72,000	$ 996,051	$ –	$ 40,498,040
Short-term investments	26,347,421	–	–	–	–	–	–	–	–	–	26,347,421
Accounts receivable, net	38,550,588	–	–	–	–	34,968	1,161,767	–	–	–	39,747,323
Inventories	2,124,292	–	–	–	–	–	–	–	–	–	2,124,292
Other current assets	4,387,258	(44,282)	118,407	(8,011)	–	–	1,184,644	1,197	(14,557)	(21,848)	5,602,808
Total current assets	107,589,083	287,011	1,841,399	17,574	62,797	129,518	3,359,659	73,197	981,494	(21,848)	114,319,884
Property, plant and equipment, net	80,953,109	–	9,140,066	2,507,392	–	–	254,919	–	1,619,860	–	94,475,346
Other assets:											
Unamortized debt issuance costs	731,733	–	22,186	–	–	–	–	–	–	–	753,919
Intangible assets and other	10,207,121	–	–	–	5,666,294	–	–	–	–	–	15,873,415
	10,938,854	–	22,186	–	5,666,294	–	–	–	–	–	16,627,334
Assets whose use is limited:											
Pension and insurance obligations	12,333,513	–	–	–	–	–	–	–	–	–	12,333,513
Board designated and donor restricted investments	92,408,487	–	–	–	–	–	–	–	7,010,066	–	99,418,553
Held by trustee under revenue bond agreements	6,126,802	–	–	–	–	–	–	–	–	–	6,126,802
	110,868,802	–	–	–	–	–	–	–	7,010,066	–	117,878,868
Total assets	$310,349,848	$ 287,011	$ 11,003,651	$2,524,966	$5,729,091	$129,518	$3,614,578	$ 73,197	$9,611,420	$(21,848)	$ 343,301,432

LIABILITIES AND NET ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	CMC Ancillary Health Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Current liabilities:											
Accounts payable and accrued expenses	$ 19,868,048	$ 146,648	$ 123,130	$ 12,381	$ 915	$ 204	$2,956,785	$ 5,691	$ 35,048	$(21,848)	$ 23,127,002
Accrued salaries, wages and related accounts	15,084,630	2,039,544	–	–	–	–	–	–	212,132	–	17,336,306
Amounts payable to third-party payors	10,535,852	–	–	–	–	–	–	–	–	–	10,535,852
Amounts due to (from) affiliates	1,375,956	(1,393,438)	10,734	(31,956)	–	–	48,812	(10,059)	(49)	–	–
Current portion of long-term debt	3,999,845	–	158,880	–	–	–	–	–	–	–	4,158,725
Total current liabilities	50,864,331	792,754	292,744	(19,575)	915	204	3,005,597	(4,368)	247,131	(21,848)	55,157,885
Accrued pension and other liabilities, less current portion	87,774,564	9,989,397	1,774,659	53,694	–	–	336,103	–	–	–	99,928,417
Long-term debt, less current portion	64,931,068	–	8,297,328	–	–	–	–	–	–	–	73,228,396
Total liabilities	203,569,963	10,782,151	10,364,731	34,119	915	204	3,341,700	(4,368)	247,131	(21,848)	228,314,698
Net assets (deficit):											
Unrestricted	98,133,244	(10,495,140)	638,920	2,490,847	5,728,176	129,314	272,878	77,565	9,364,289	–	106,340,093
Temporarily restricted	330,158	–	–	–	–	–	–	–	–	–	330,158
Permanently restricted	8,316,483	–	–	–	–	–	–	–	–	–	8,316,483
Total net assets (deficit)	106,779,885	(10,495,140)	638,920	2,490,847	5,728,176	129,314	272,878	77,565	9,364,289	–	114,986,734
Total liabilities and net assets	$310,349,848	$ 287,011	$11,003,651	$2,524,966	$5,729,091	$129,518	$3,614,578	$ 73,197	$9,611,420	$(21,848)	$ 343,301,432

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2015

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	CMC Ancillary Health Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	$ 338,622,797	$ –	$ –	$ –	$ –	$125,041	$ 14,775,817	$ –	$ –	$ –	$ 353,523,655
Provision for doubtful accounts	(22,168,150)	–	–	–	–	805	(594,647)	–	–	–	(22,761,992)
Net patient service revenues less provision for doubtful accounts	316,454,647	–	–	–	–	125,846	14,181,170	–	–	–	330,761,663
Other revenue	10,153,523	19,732,200	1,964,514	520,279	2,156,804	–	666,498	135,092	2,838,137	(22,001,502)	16,165,545
Disproportionate share funding	2,452,816	–	–	–	–	–	–	–	–	–	2,452,816
Total revenues	329,060,986	19,732,200	1,964,514	520,279	2,156,804	125,846	14,847,668	135,092	2,838,137	(22,001,502)	349,380,024
Expenses:											
Salaries, wages and fringe benefits	163,536,150	33,744,024	27,370	–	–	–	13,845,295	–	2,610,342	(19,342,644)	194,420,537
Supplies and other	111,262,177	1,707,777	821,781	617,299	–	146,616	5,619,898	134,446	338,933	(2,658,858)	117,990,069
New Hampshire Medicaid enhancement tax	14,962,857	–	–	–	–	–	–	–	–	–	14,962,857
Depreciation and amortization	11,031,483	–	370,154	104,243	–	–	48,927	–	216,115	–	11,770,922
Interest	2,639,291	–	571,709	–	–	–	–	–	–	–	3,211,000
Total expenses	303,431,958	35,451,801	1,791,014	721,542	–	146,616	19,514,120	134,446	3,165,390	(22,001,502)	342,355,385
Income (loss) from operations	25,629,028	(15,719,601)	173,500	(201,263)	2,156,804	(20,770)	(4,666,452)	646	(327,253)	–	7,024,639
Nonoperating gains (losses):											
Investment income	1,898,644	–	302,276	11	47	–	–	–	343,859	–	2,544,837
Net realized gains (losses) on sale of investments	1,132,800	–	–	–	–	–	–	–	(14,507)	–	1,118,293
Other nonoperating gain (loss)	–	–	(32,401)	42,875	–	–	–	–	1,514	–	11,988
Total nonoperating gains, net	3,031,444	–	269,875	42,886	47	–	–	–	330,866	–	3,675,118
Excess (deficiency) of revenues and gains over expenses	28,660,472	(15,719,601)	443,375	(158,377)	2,156,851	(20,770)	(4,666,452)	646	3,613	–	10,699,757
Unrealized depreciation on investments	(1,519,111)	–	–	–	–	–	–	–	(266,626)	–	(1,785,737)
Assets released from restriction used for capital	272,000	–	–	–	–	–	–	–	–	–	272,000
Pension-related changes other than net periodic pension cost	(28,985,617)	(3,062,770)	(173,311)	–	–	–	–	–	–	–	(32,221,698)
Net transfers (to) from affiliates	(17,250,683)	15,355,000	(79,000)	200,004	(2,700,000)	150,084	4,325,000	–	(405)	–	–
(Decrease) increase in unrestricted net assets	$ (18,822,939)	$ (3,427,371)	$ 191,064	$ 41,627	$ (543,149)	$129,314	$ (341,452)	$ 646	$ (263,418)	$ –	$(23,035,678)

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

June 30, 2014

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Current assets:										
Cash and cash equivalents	$ 49,502,444	$ 375,929	$ 1,691,041	$ 119,518	$ 477,249	$1,343,831	$ 74,572	$ 1,047,462	$ –	$ 54,632,046
Short-term investments	26,173,541	–	–	–	–	–	–	–	–	26,173,541
Accounts receivable, net	29,270,115	–	–	–	–	1,040,676	–	–	–	30,310,791
Inventories	2,010,411	–	–	–	–	–	–	–	–	2,010,411
Other current assets	4,060,532	(33,568)	78,015	19,912	–	1,082,324	2,181	(9,178)	–	5,200,218
Total current assets	111,017,043	342,361	1,769,056	139,430	477,249	3,466,831	76,753	1,038,284	–	118,327,007
Property, plant and equipment, net	72,977,392	–	9,501,464	2,401,525	–	303,845	–	1,805,171	–	86,989,397
Other assets:										
Notes receivable, net	72,648	–	–	–	–	–	–	–	–	72,648
Unamortized debt issuance costs	810,003	–	30,254	–	–	–	–	–	–	840,257
Intangible assets and other	8,024,989	–	–	–	5,794,991	–	–	–	–	13,819,980
	8,907,640	–	30,254	–	5,794,991	–	–	–	–	14,732,885
Assets whose use is limited:										
Pension and insurance obligations	14,246,337	–	–	–	–	–	–	–	–	14,246,337
Board designated and donor restricted investments	91,473,836	–	–	–	–	–	–	6,980,595	–	98,454,431
Held by trustee under revenue bond agreements	6,080,586	–	–	–	–	–	–	–	–	6,080,586
	111,800,759	–	–	–	–	–	–	6,980,595	–	118,781,354
Total assets	$304,702,834	$ 342,361	$11,300,774	$2,540,955	$6,272,240	$3,770,676	$ 76,753	$ 9,824,050	$ –	$338,830,643

LIABILITIES AND NET ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Current liabilities:										
Accounts payable and accrued expenses	$ 15,145,165	$ 55,354	$ 250,618	$ 54,350	$ 915	$2,885,370	$ 6,924	$ –	$ –	$ 18,398,696
Accrued salaries, wages and related accounts	14,188,183	1,782,831	–	–	–	–	–	196,392	–	16,167,406
Amounts payable to third-party payors	10,125,881	–	–	–	–	–	–	–	–	10,125,881
Amounts due to (from) affiliates	1,311,372	(1,271,696)	10,568	(58,437)	–	15,332	(7,090)	(49)	–	–
Current portion of long-term debt	3,351,633	–	150,044	–	–	–	–	–	–	3,501,677
Total current liabilities	44,122,234	566,489	411,230	(4,087)	915	2,900,702	(166)	196,343	–	48,193,660
Accrued pension and other liabilities, less current portion	68,664,176	6,843,641	1,985,480	95,822	–	255,644	–	–	–	77,844,763
Long-term debt, less current portion	66,269,681	–	8,456,208	–	–	–	–	–	–	74,725,889
Total liabilities	179,056,091	7,410,130	10,852,918	91,735	915	3,156,346	(166)	196,343	–	200,764,312
Net assets (deficit):										
Unrestricted	116,956,183	(7,067,769)	447,856	2,449,220	6,271,325	614,330	76,919	9,627,707	–	129,375,771
Temporarily restricted	528,802	–	–	–	–	–	–	–	–	528,802
Permanently restricted	8,161,758	–	–	–	–	–	–	–	–	8,161,758
Total net assets (deficit)	125,646,743	(7,067,769)	447,856	2,449,220	6,271,325	614,330	76,919	9,627,707	–	138,066,331
Total liabilities and net assets	$304,702,834	$ 342,361	$11,300,774	$2,540,955	$6,272,240	$3,770,676	$ 76,753	$ 9,824,050	$ –	$338,830,643

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2014

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambulatory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi-nations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	$323,608,207	$ –	$ –	$ –	$ –	$14,119,798	$ –	$ –	$ –	$337,728,005
Provision for doubtful accounts	(23,778,708)	–	–	–	–	(567,058)	–	–	–	(24,345,766)
Net patient service revenues less provision for doubtful accounts	299,829,499	–	–	–	–	13,552,740	–	–	–	313,382,239
Other revenue	9,202,827	17,486,207	1,904,010	574,475	2,580,501	833,198	128,602	2,806,070	(19,726,119)	15,789,771
Disproportionate share funding	3,136,409	–	–	–	–	–	–	–	–	3,136,409
Total revenues	312,168,735	17,486,207	1,904,010	574,475	2,580,501	14,385,938	128,602	2,806,070	(19,726,119)	332,308,419
Expenses:										
Salaries, wages and fringe benefits	151,040,530	26,149,068	40,697	–	–	13,080,741	–	2,426,632	(17,135,990)	175,601,678
Supplies and other	108,712,500	1,480,950	789,507	685,081	–	5,444,333	126,014	300,048	(2,590,129)	114,948,304
New Hampshire Medicaid enhancement tax	13,865,109	–	–	–	–	–	–	–	–	13,865,109
Depreciation and amortization	10,312,228	–	370,509	92,196	–	54,926	–	215,591	–	11,045,450
Interest	3,306,829	–	580,331	–	–	–	–	–	–	3,887,160
Total expenses	287,237,196	27,630,018	1,781,044	777,277	–	18,580,000	126,014	2,942,271	(19,726,119)	319,347,701
Income (loss) from operations	24,931,539	(10,143,811)	122,966	(202,802)	2,580,501	(4,194,062)	2,588	(136,201)	–	12,960,718
Nonoperating gains (losses):										
Investment income	1,477,062	–	272,174	14	27	–	–	352,084	–	2,101,361
Net realized gains (losses) on sale of investments	5,242,633	–	–	–	–	–	–	(45,155)	–	5,197,478
(Loss) gain on sale of property and equipment	(43,175)	–	–	(988,787)	–	–	–	6,567	–	(1,025,395)
Other nonoperating loss	–	–	(32,485)	–	–	–	–	–	–	(32,485)
Total nonoperating gains (losses), net	6,676,520	–	239,689	(988,773)	27	–	–	313,496	–	6,240,959
Excess (deficiency) of revenues and gains over expenses	31,608,059	(10,143,811)	362,655	(1,191,575)	2,580,528	(4,194,062)	2,588	177,295	–	19,201,677
Unrealized appreciation on investments	6,901,638	–	–	–	–	–	–	179,670	–	7,081,308
Assets released from restriction used for capital	142,525	–	–	–	–	–	–	–	–	142,525
Pension-related changes other than net periodic pension cost	(1,696,942)	1,375,714	81,423	–	–	–	–	–	–	(239,805)
Net transfers (to) from affiliates	(11,122,616)	8,596,500	42,000	1,419,116	(2,485,000)	3,550,000	–	–	–	–
Increase (decrease) in unrestricted net assets	$ 25,832,664	$ (171,597)	$ 486,078	$ 227,541	$ 95,528	$ (644,062)	$ 2,588	$ 356,965	$ –	$ 26,185,705

CMC
CATHOLIC MEDICAL CENTER

Catholic Medical Center
Board of Directors – 2016

Maria Mongan, ***Chair***
Manchester, NH 03104

Rick Botnick, ***Immediate Past Chair***
Botnick 5 / Ventures Inc.

John G. Cronin, Esq., ***Vice Chair***
Cronin, Bisson & Zalinsky, P.C.

Joseph Pepe, MD, ***President/CEO***
Catholic Medical Center

Neil Levesque, ***Secretary***
NH Institute of Politics

Robert A. Catania, MD
Surgical Care Group

Carolyn G. Claussen, MD
Willowbend Family Practice

Jeannette M. Davila
Bedford, NH 03110

Pamela Diamantis
Curbstone Financial Management Corp

Harry E. Dumay, Ph.D.
Saint Anselm College

Louis I. Fink, MD
New England Heart & Vascular Institute

Powen Hsu, M.D.
New Era Medicine

Susan D. Huard, Ph.D., President
Manchester Community College

Matthew Kfoury

CMC
CATHOLIC MEDICAL CENTER

Catholic Medical Center
Board of Directors – 2016

Central Paper Company

Thomas J. Kleeman, MD
President of CMC Medical Staff
NH NeuroSpine Institute

Paul Moore, Esq.
Bedford, NH 03110

Diane Murphy Quinlan, Esq.
Bishop's Delegate for Health Care
Diocese of Manchester

Keith A. Stahl, MD
Family Health & Wellness Center

Donald St. Germain
St. Mary's Bank

Fr. Patrick Sullivan O.S.B, RN
St. Anselm College / Abbey

CURRICULUM VITAE

JOSEPH PEPE, MD

ADDRESS

Business:
100 McGregor Street
Manchester, NH. 03102

Home:
[redacted]

EMPLOYMENT

President & CEO
CMC Healthcare System
August 30, 2012 to Present

President & CEO
Catholic Medical Center, Manchester, NH
August 30, 2012 to Present

Chief Executive Officer of Healthcare System including: 330 bed acute care hospital; Physician Practice Associates employing 50 physicians; Bedford Ambulatory Surgery Center (BASC), an LLC with 50% ownership with 30 physicians, and St. Peter's Home, New Hampshire's largest day care center. Catholic Medical Center is the home of the New England Heart Institute, serving over 100 communities state wide.

Interim President/CEO
CMC Healthcare System and Catholic Medical Center
January 12, 2012 to August 30, 2012

CMC Vice President of Medical Affairs/Chief Medical Officer
Catholic Medical Center
(1999 to August 2012)

As Vice President of Medical Affairs/Chief Medical Officer reporting to the CEO and worked with senior management, nursing leadership, medical staff leadership, and Performance Improvement to improve quality at CMC.

Physician
CMC Primary Care Associates
(1990 – 2011)

EDUCATION

1979-1983 St. Anselm College, Manchester, NH; **BA**
1983-1987 Tufts University School of Medicine, Boston, Ma; **MD**

POSTDOCTORAL TRAINING

1987-1990 Baystate Medical Center, Springfield, Ma.
- Internal Medicine Internship
- Internal Medicine Residency

ACADEMIC APPOINTMENTS/TEACHING

1987-1989 Clinical Fellow of Medicine
-Tufts University School of Medicine
Lecturer, State Division, American College of Physicians
Lecturer, Mass. College of Pharmacy and Health Science ('06-08)
Lecturer, NH Organization of Nurse Leaders (2011)
Lecturer, Northern New England Society for Healthcare Risk Management (2011)
Presenter, American College of Healthcare Executives (2015)

BOARD CERTIFICATION

National Board of Medical Examiners
American Board of Internal Medicine 1990, 2000, 2010

PUBLICATIONS

Fever of Unknown Origin and Eosinophilia Caused by Naproxen Induced Interstitial Nephritis. *Hospital Practice*; McCue, J.D. ; Pepe, J., August 15, 1989.

A Rare Cause of Facial Nerve Paralysis. *Hospital Practice*; McCue, J.D. ; Pepe, J., May 30, 1990.

A Construction Worker With A Digital Eschar. *Hospital Practice*; Pepe, J., May 30, 1992.

Tongue Abscess: Case Report and Review. *Clinical Infectious Diseases*; Sands, M.; Pepe, J.; Brown, R.B., January 16, 1993.

Managing Risk, Build a Just Culture. *Health Progress;* Pepe, J.; Cataldo, P.J., July August, 2011.

McGregor Street Journal editor; Over 40 articles available on request ('02-2012)

Parable Magazine, monthly contributor

Contributions to *Health Affairs* and *HealthLeaders* including "lead advisor" for Reassessing Executive Compensation, November 2013 and advisor for 2014

HONORS AND AWARDS

Magna Cum Laude; Delta Epsilon Sigma--St. Anselm College 1983
"Excellence in Teaching Award"--Baystate Medical Center 1989
"Alumni Award of Merit"-St Anselm 2004
"New Hampshire Hospital Association Medical Staff Award" 2009
"Patients' Choice Award"—MDx Medical, Inc. 2011
"Quality Award"—CAUTI 2011
Named as *Becker's Hospital Review's* 2013 "125 Physician Leaders of Hospitals and Health Systems," based on leaders' healthcare experience, accolades and commitment to quality care.
Named as *Becker's Hospital Review's* 2014 "100 Physician Leaders of Hospitals and Health Systems," based on leaders' healthcare experience, accolades and commitment to quality care.
Named as *Becker's Hospital Review's* 2015 "100 Physician Leaders of Hospitals and Health Systems," based on leaders' healthcare experience, accolades and commitment to quality care.
Named to the 2013 edition of *Becker's Hospital Review's* "300 Hospital and Health System Leaders to Know," which recognizes healthcare leaders from hospitals and health systems across the country.
Named to the 2015 edition of *Becker's Hospital Review's* "130 Hospital and Health System Leaders to Know".

COMMITTEES, APPOINTMENTS AND COMMUNITY SERVICES

Current

CMC Healthcare System Board of Governors (2012-present)
Catholic Medical Center Board of Directors (2012-present)
Alliance Health Service Board of Directors (2012-present)
CMC Physician Practice Association Board of Directors (2010-present)
BASC LLC Board (2012-present)
St. Peter's Home Board of Trustees (2012-present)
St. Anselm College Board of Trustees (2012 – present)
New Hampshire Hospital Association Board of Trustees (2012-present)

Granite Health Board of Directors (2014-present)
NH Guild of Catholic Healthcare Professionals Board of Directors (2013-present)
Regional Policy Board of the American Hospital Association
Bishop's Charitable Assistance Fund Board.
Alliance Health Services (partnership) Steering Committee (2011-present)
ARRA steering committee, CMC (2009-present)
Board Governance Committee, CMC (2012-present)
Cardiac Quality Council, CMC (2008-present)
Compliance Committee of the Board, CMC (2006-present)
Ethics / Mission Effectiveness Committee of the Board, CMC (2010-present)
Executive Committee of the Board, CMC (2012-present)
Executive Compensation Committee of the Board, Staff CMC (2012-present)
Finance Committee of the Board, CMC (2012-present)
IS Steering Committee, CMC (2007-present)
Medical Executive Committee, CMC (2000-present)
Senior Leaders Committee, CMC (2012-present)
Philanthropy/Development Committee of the Board, CMC (2012-present)
Quality Council, CMC (2008-present)
Quality Management Committee of the Board, CMC (1999- present)
Strategic Planning Committee of the Board, CMC (2011-present)
Nominating Committee of the Board, NH Hospital Association (2013-present)

Past

Professional Health Committee (2000-2012)
Disaster Committee (emergency management) (1998-1999); (2008-2012)
State Medical Malpractice Screening Panel (2007-2012)
Patient Safety/Joint Commission Committee (2001-2012)
Allied Health Committee (2001-2012)
Medical Staff Bylaws Committee (2000-2012)
Credentials Committee, CMC (2000-2012)
Medicine Council (2000-2012)
CPOE (physician) Advisory Committee (2008-2012)
Provider CPOE work group Committee (2010-2012)
Manchester Community Medical Board (2009-2012)
Culture of Excellence Committee, CMC (2009 – 2012)
Patient Flow Committee (2008-2012)
NH Hospitals CMO committee (2008-2012)
Radiation Safety Committee (2009-2012)
Manchester Sustainable Access Project (MSAP) (2010-2012)
Schwartz Center Planning Committee and Physician Champion (2011-2012)
Budget Committee (2011-2012)

Operations Committee, CMC (2005-2013)
New Hampshire Hospital Association Strategic Planning Committee (2010-'13)
Chairman of Infection Control Committee (1992 -2012)
Medical Director of Outpatient Diabetes (2011-2012)
Medical Management Committee (2000-2012)
Medication Safety Committee (2008-2012)
CAUTI task force (2009-2012)
Transfusion Committee (2010- 2012)
Medical Director, Ask-A-Nurse (2099-2011)
Medical Director, Great Day Program for the Elderly (1990 -2011)
Patient Readiness/Selection task force (1998-2010)
Co-Chairman Professional Health Committee (2008-2009)
Information Services Task Force (2002-'2009)
Flu Shot Clinic Volunteer Physician (1990 –2009)
Advanced Cardiac Life Support Instructor (1992-2007)
Member, Board of Directors, Physician Practice Association (2002-2007)
Operating Room Committee (2003-2007)
Physician Compensation Committee (1996 -1998), (2001-2007)
Press Ganey *ad hoc* Committee (2002-2003)
Medical Executive Committee of the Staff of CMC and Elliot Hospitals (1999-2000)
Board of Incorporators, Optima Health (1994 -1999)
Consultant, Peer Review Organization (1997-1999)
Seminar Planning Committee CME (1996 -1997)
Trustee, Optima Health (1994 -1996)
Trustee, Manchester Community Health Center (1994-1995)

PROFESSIONAL ORGANIZATIONS

American College of Physicians
American Association for Physician Leadership
New Hampshire State Medical Society
American College Healthcare Executives

PERSONAL

References provided on request

ALEXANDER J. WALKER, JR.
[redacted]

PROFESSIONAL EXPERIENCE

Catholic Medical Center, Manchester, NH
Executive Vice President, Operations & Strategic Development (January 2012-present)

Responsible for the overall operations and strategic direction of a 330-bed, 2200 employee acute care medical center and its affiliated entities. Provides leadership and direction on strategic partnerships and affiliations throughout New Hampshire, including Granite Health Network, formation of Tufts Health Freedom Plan, a groundbreaking joint venture between the five Granite Health hospitals and Tufts Health Plan. Oversaw the successful litigation involving declaring the Medicaid Enhancement Tax unconstitutional and the subsequent successful negotiation and agreement with the State of New Hampshire.

Recipient of the American Hospital Association's 2015 Grassroots Champion Award for advocacy work on behalf of the New Hampshire Hospital Association.

Devine, Millimet & Branch, PA, Manchester, NH (September 1992-2011), President & Chairman (January 2006-December 2011)

Directed and oversaw all strategic planning and policy initiatives of one of New Hampshire's largest and most prominent law firms with 160 employees including lawyers, paralegals, support staff and administrative personnel. Managed direct reports including human resources, finance, IT, marketing and facilities. Significantly expanded firm's government relations and regulated utilities practices in Concord including establishment of Devine Strategies, a high profile strategic and political consulting subsidiary. The firm has been recognized as one of the "Top Places to Work" and "Top 100 Private Companies" by New Hampshire Magazine, has been awarded the Better Business Bureau's "Torch Award" for Professionalism and Ethics, the American Heart Association's Gold Heart Award, the Heritage United Way's Heritage Award, and by the New Hampshire Bar Association as a statewide leader in pro bono and access to justice issues.

Regarded as one of New Hampshire's go-to litigators representing corporations, not-for-profit organizations, and individuals in complex litigation matters in federal and state courts and administrative tribunals in New Hampshire and other jurisdictions. Selected as a "New England Super Lawyer" from 2007-2011 in Commercial Litigation. Selected by peers for inclusion in the Best Lawyers in America in the field of Commercial Litigation. Recognized in the 2006-2011 editions of Chambers USA as one of America's leading commercial litigators.

EDUCATION

Northeastern University School of Law, JD, 1992;

University of Massachusetts, Boston, BA, English and Political Science, *with honors*, 1989. Elected to serve as the Student Trustee on the University of Massachusetts System Board of Trustees (1988-1989).

MILITARY SERVICE

United States Marine Corps, 1981-1984

COMMUNITY SERVICE

Greater Manchester Chamber of Commerce, Board of Directors (2005-present), Chairman (2011);

New Hampshire Business & Industry Association, Board of Directors (2011-present);

Palace Theatre, Board of Trustees (2007-present) Chairman of the Board of Trustees (2014-present);

Granite United Way, Board of Directors (formerly Heritage United Way) (2007-present), Vice-Chairman (2010-present). Chairman of the Heritage United Way's 2009 Annual Campaign which raised $3.7 million, the most successful campaign in the organization's 70 year history;

Bishop's Charitable Assistance Fund, Campaign Committee (2007-present);

City Year – New Hampshire, Board of Directors (2011-2015);

New Hampshire Business Committee for the Arts, Board of Directors (2011-present);

New Hampshire Bar Association, Board of Governors (2005-2011);

New Hampshire Supreme Court Access to Justice Commission (2007-2012);

Crotched Mountain, Board of Trustees (2015-present);

Daniel Webster Boy Scouts Council, Chairman, 2011 Distinguished Citizens Award Dinner.

Edward L. Dudley III

Overview:
A senior healthcare executive with highly effective communication and interpersonal skills. A record of accomplishment in strategic planning, analysis, negotiation and implementation of new business initiatives. Ideally suited to lead organizations in Service, Quality, Finance and Growth. Strong commitment to transparency and integrity.

PROFESSIONAL EXPERIENCE:

Catholic Medical Center HealthCare System, Manchester, NH 2011-Present
Includes a 330-bed acute care hospital, the N.E. Heart Institute, Surgical and Primary physician practices and other subsidiaries.

Executive Vice President & CFO

Responsible for the plan that offset a $12.M tax payment while achieving a 3% margin.
Directed aggressive growth and cost reduction while improving service delivery, quality.
Introduced/ implemented five pillar management philosophy (Service, Quality, People, Finance and Growth) to both operating and financial Plan.
Lead successful negotiations with a 70 provider multi specialty network.
Assumed administrative oversight for the clinical areas of Pharmacy, Hospitalist and Medical Staff office.
Developed a long stay Case management/UR program significantly reducing ALOS cases over 15 days.
Principally responsible for the development of a Gastroenterology physician management/partnership model.
Reorganized Human Resource Retirement and Health benefit plans resulting in million dollar savings.
Implemented revenue cycle initiative in denial management, coding, and AR reporting.
Coordinated framework for long range Health System strategic Plan.

Lawrence General Hospital, Lawrence, MA 2007 –2011
Lawrence General Hospital, 189-bed acute hospital and parent corporation to a physician management service company and physician group practices.

Vice President of Fiscal Affairs/CFO

- Guided strategic plan in the evaluation and implementation of hospitals affiliation and physician development.
- Initiate hospital wide employee training on "managing patient expectations and satisfaction".
- Established a PHO with a 140 specialty and primary care medical staff.
- Improved revenue cycle operations capturing over 5 million in annual net revenue.
- Led financial turnaround improving financial ratios from non investment grade to BBB+.
- Planned and implemented new patient care revenue service's expanding market share.
- Successfully negotiated several manage care contracts/grants and improved governmental relationships.
- Strengthened staff and Sr. executive development with improved management techniques.

Southern New Hampshire Health System, Nashua, NH 1997 - 2007
Southern New Hampshire Health System is the corporate parent organization to Southern New Hampshire Medical Center, a 188-bed acute care hospital and Foundation Medical Partners, a multi-specialty group practice comprised of over 140 providers. The Health System has an annual budget of $414 million.

Southern New Hampshire Medical Center

Vice President of Finance 2006 - 2007
Associate Vice President of Finance 2002 - 2006

- Implemented revenue cycle initiatives, which generated $4.9 million in net income.
- Directed the treasury functions for the Health System that increased days cash on hand to 204 days.
- Managed strategic 5-year financial budget and capital plan, which led to an S&P rating of A- positive outlook.
- Co-managed the issuance of several tax-exempt bond financings including a $47 million tax-exempt issue.
- Planned and provided leadership on the implementation of several information systems, which increased patient access and financial reporting.
- Implemented benchmarking, productivity and decision support for divisional and service line management.
- Facilitated successful negotiations in the areas of insurance, risk, corporate compliance, physician and financial management.
- Developed internal audit and corporate compliance policy and functions.
- Assumed administrative responsibilities for the health system's west campus hospital 2002 to 2005

Director of Finance 1997 – 2002

- Responsible for Finance and Patient Access Division including: general accounting, budgets and reimbursement, patient accounting, patient access, cash management.
- Developed and implemented strategic programs that ranged from patient care services to human resources that led to increased market share, reduced staff turnover and improved financial performance.
- Successfully negotiated contracts for the acquisition of medical equipment, information systems, liability insurance, and consulting services.
- Coordinated several relocations of the finance division and ancillary support functions.

QUORUM HEALTH RESOURCES 1987 - 1997
A hospital management company that contracted with hospitals including the Hale Hospital, to provide on site senior administrative team managers and consulting services.

Quorum Health Resources - HALE HOSPITAL, Haverhill, MA 1992-1997

Director of Fiscal Services

- Responsible for all financial operations including general accounting, accounts payable, payroll, accounts receivable, budgeting, third party contracting, patient access, communications and information systems.
- Led a successful accounts receivable and ADT system conversion.
- Automated patient access and management information systems.
- Successfully negotiated managed care contracts.
- Implemented improvements in the management of workman's compensation and human resource expenses.
- Negotiated labor union contracts with six collective bargaining units.
- Assisted in the recruitment and financial management of community based medical practices.

QUORUM HEALTH RESOURCES, Waltham, MA 1989- 1992
Health Financing Resources Consultant

- Provided budgetary and third party reimbursement oversight for managed hospitals throughout United States.
- Provided technical assistance in the negotiations of third party contracts.
- Prepared monthly and year end financial work papers for clients
- Developed cost benefit analysis for new and existing hospital services.
- Conducted educational training on third party reimbursement.
- Member of survey team for perspective hospital management contracts.

HCA Management Company-HALE HOSPITAL, Haverhill, MA 1987-1989
Manager of Budgets and Reimbursement

- Facilitated hospital budgets and the analysis of third party reimbursement leading to a $1.8 million recovery.
- Provided the analytical programs utilized in hospital's strategic planning.
- Influenced cultural changes that led the organization to reduce the loss from operations by $4 million.

MASSACHUSETTS RATE SETTING COMMISSION, Boston, MA 1985-1987
Senior Auditor/Policy Analyst

Blue Cross of Massachusetts, Boston, MA 1984-1985
Quality Assurance Supervisor

Falmouth Hospital, Falmouth, MA 1983
Administrative Intern
The Malden Hospital, Malden, MA 1982
Administrative Intern

EDUCATION: MBA, Rivier College, Nashua, NH 2000
BS, Administration of Health Services. Minor in Economics, Ithaca College, Ithaca, NY 19
Fellow, Massachusetts Health Leadership College, 2010

AFFILIATIONS: Health Care Financial Management Association: Fellow
American College of Healthcare Executives
New Hampshire Catholic Charities: Director Board of Trustees 2012 –present
Chelmsford Food Pantry: Volunteer 2012-Present
Nashua Regional Cancer Center: Director Board of Trustees 2006- 2007
Greater Nashua Neighborhood Health Center: Finance Committee 1998-2000
St Mary's Bank Credit Union: Director Board of Trustees 2005- 2007
Gateway Credit Union: Director 1999 – 2005, Chairman of the Board 2004-2005
Knights of Columbus Bishop Rocco Council: Member 1988 - present

Key Personnel List

New Hampshire Department of Health and Human Services

Administrative Lead: Catholic Medical Center
Region Number: 4

A	B	C
Name of Individual	Title	Annual Salary
Joseph Pepe, M.D.	President & CEO	$551,678.40
Edward Dudley	Executive Vice President & Chief Financial Officer	$371,321.60
Alexander Walker, Jr., Esq.	Executive Vice President, Operations & Strategic Development	$360,692.80

Subject: IDN Administrative Lead (RFP-2016-OCOM-05-BUILD-05)

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 Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Lakes Region Partnership for Public Health, Inc.		1.4 Contractor Address 67 Water Street, Suite 105 Laconia, NH 03246	
1.5 Contractor Phone Number (603) 527-2802	1.6 Account Number 05-95-47-470010-52010000	1.7 Completion Date June 30, 2021	1.8 Price Limitation $135,000,000
1.9 Contracting Officer for State Agency Eric B. Borrin, Director		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature Alicia I. Millham		1.12 Name and Title of Contractor Signatory Alicia I. Millham, Pres BOD Director	

1.13 Acknowledgement: State of NH, County of Belknap

On July 26, 2016, before the undersigned officer, personally appeared the person identified in block 1.12, 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 Colleen A Drown

[Seal]

COLLEEN A. DROUIN MY COMMISSION EXPIRES AUG. 14, 2018 NOTARY PUBLIC NEW HAMPSHIRE

1.13.2 Name and Title of Notary or Justice of the Peace

COLLEEN A. DROUIN, NOTARY PUBLIC

1.14 State Agency Signature Date: 7/27/16	1.15 Name and Title of State Agency Signatory Jeffrey Meyers, 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: Megan A. Yorke - Attorney On: 8/5/16

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

Contractor Initials _____
Date 7.26.16

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 $1,000,000per 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.

Contractor Initials _____
Date 7.26.16

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 AM

Date 1.26.16

Scope of Services

1. Provisions Applicable to All Services

1.1. Language Assistance Services

The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. Future Legislative Action

The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Contract Period

The contract resulting from this RFP will be effective August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

1.4. Administrative Lead Contractual Role

The Contractor is the Administrative Lead for the Integrated Delivery Network (IDN) for Region 5 , described as Central, Winnipesaukee, under the Department of Health and Human Services Delivery System Reform Incentive Payment Program. The Contractor shall understand and assume full responsibility for any and all obligations and liabilities as the Administrative Lead for the Region 5 IDN pursuant to this Contract and in compliance with the Special Terms and Conditions issued by the Centers for Medicare and Medicaid Services (CMS) for the *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1, which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* which are hereby incorporated by reference into this Contract as Exhibit L-1.

As the Administrative Lead, the Contractor shall act on behalf of the members organizations, documented in Exhibit K-1 of this Contract, of the Region 5 IDN, including entering this Contract, and receiving and distributing funds provided through this Contract, and in accordance with the Region 5 IDN's governance and management structure, as outlined in the IDN's approved Project Plan.

1.5. DHHS Approved IDN Application and Project Plans

The DHHS Approved IDN Application and Project Plans for the Region 5 IDN are hereby incorporated by reference into this Agreement as Exhibit L-2, and any DHHS approved revisions or the latter thereof. The Contractor shall provide services under this Agreement and consistent with these IDN-specific documents, in addition to the documents referenced in subsection 1.4 herein.

2. Statement of Work

2.1. Goals and Expectations for IDN

2.1.1. Composition and Region Served

2.1.1.1. The IDN shall be made up of multiple community-based social service organizations, hospitals, county facilities, primary care providers, and behavioral health providers (both mental health and substance use disorder). The Contractor shall ensure that it establishes with and maintains a clear business relationship between the IDN's component providers, including a joint budget and funding distribution plan that specifies the methodology for distributing funding to participating providers within the IDN. The funding distribution plan must comply with all applicable laws and regulations.

2.1.1.2. The IDN shall serve the geographic region designated by DHHS as Region 5.

2.1.1.3. The parties acknowledge and understand that IDN's member organizations are permitted to participate in multiple IDNs and are not limited to participation in the Region 5 IDN.

2.1.2. Partnering

2.1.2.1. The Contractor shall ensure that IDN member organizations partner with each other within the Region 5 IDN to design and implement DHHS and CMS approved projects, specific to New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1,* to build behavioral health (mental health and substance use disorder) capacity, promote integration of primary care and behavioral health, facilitate smooth transitions in care, and prepare for alternative payment models.

2.1.2.2. The Contractor shall ensure that the Region 5 IDN provides the full spectrum of care and related social services that might be needed by an individual with a behavioral health (mental health and/or substance use disorder) condition. At a minimum, the IDN shall include the following provider types as member organizations:

a. Primary care practices and facilities, serving the majority of Medicaid beneficiaries;
b. Substance use disorder (SUD) providers, including recovery providers, serving the majority of Medicaid beneficiaries;
c. Representation from Regional Public Health Networks;
d. One or more Regional Community Mental Health Centers;
e. Peer-based support and/or community health workers from across the full spectrum of care;
f. One or more hospitals;
g. One or more Federally Qualified Health Centers, Community Health Centers or Rural Health Clinics where available within a defined region;
h. Multiple community-based organizations that provide social and support services reflective of the social determinants of health for a variety of populations, such as transportation, housing, employment services,

financial assistance, childcare, veterans services, community supports, legal assistance, etc.

i. County facilities, such as nursing facilities and correctional institutions.

2.1.3. Goals

2.1.3.1. The Region 5 IDN shall build greater behavioral health capacity, improve integration of physical and behavioral health, and improve care transitions for Medicaid beneficiaries. Under this Contract, the achievement of these goals shall be supported by the IDN's ability to earn performance-based fiscal incentive payments for achieving specified process milestones and clinical outcome metric targets. These shall be achieved in compliance with the IDN's DHHS and CMS approved IDN application and Project Plan.

2.1.4. Administrative Functions

2.1.4.1. The Contractor shall fulfill the reporting and project management responsibilities described in its DHHS and CMS approved IDN Application, including at minimum: capturing, integrating and consolidating data from IDN partner organization as part of the periodic reporting to DHHS throughout the Contract Period. This shall include but not be limited to associated process and outcome metrics that must be reported for each calendar year 2017 through 2020 (Demonstration years 2 through 5) on a semi-annual basis for each stated goal or objective of a project undertaken as part of this Agreement. DHHS reserves the right to designate that some or all reporting requirements utilize standardized reporting forms and at minimum, those required by CMS. The Contractor shall utilize all required DHHS and CMS approved standardized reporting forms; any other reporting formats used by the Contractor shall be subject to DHHS approval.

2.1.4.2. The Contractor shall apply financial processes and controls to maintain its financial stability and ability, throughout the Contract Period, to ensure that transparency and accountability in the management and distribution of waiver funding to the IDN's partner organizations is achieved.

2.1.4.3. The Contractor shall ensure that the IDN participates in Alternative Payment Models that are adopted by DHHS with Medicaid Service delivery and Medicaid managed care plans.

2.1.4.4. The Contractor shall ensure that the Contractor and its IDN partner organizations participate in and collaborate with DHHS designees and agents of DHHS that are assigned to perform and fulfill certain roles and responsibilities under New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1*, including but not limited to the: Independent Assessor, Learning Collaborative leader, Demonstration Health Information Technology Taskforce leader, Demonstration Workforce Capacity leader, and Independent Evaluator, upon DHHS request.

3. Staffing

3.1. Minimum Staffing Requirements

3.1.1. The Contractor shall provide adequate numbers of professionally qualified staff to perform all required contracted services. At minimum, this shall include staff to fulfill the contractual responsibilities specified in Exhibit L-2, the IDN's DHHS approved application, and as required in Exhibits L-1.

3.1.2. The Contractor shall guarantee that all personnel providing the services required by the Contract are qualified to perform their assigned tasks and possess the appropriate professional certification and licensing that may be required by state and federal laws, rules and regulations.

3.1.3. DHHS shall be advised of, and approve in writing, any permanent or temporary changes to or deletions from the Contractor's key personnel who directly impact the management and provision of the contracted services described herein. This requirement shall not extend to the key personnel of the IDN's partner organizations unless such individuals also hold a role required of the Administrative Lead as specified in Exhibit L-1.

4. Compliance

4.1. Delegation and Subcontractors

4.1.1. The Contractor shall identify, and provide advance notice to DHHS, of any and all subcontractors to be utilized in fulfillment of its contractual responsibilities. DHHS reserves the right to accept or reject the use of any subcontractor.

4.2. Compliance with Federal Regulations

4.2.1. The Contractor shall ensure that the delivery of services shall be completed in compliance with the following Federal regulations:

4.2.1.1. Medicaid -42 U.S.C. §1396 et seq (Title XIX Social Security Act);

4.2.1.2. Managed Care Reporting-42 U.S.C. §438 et seq;

4.2.1.3. Transparency-42 C.F.R. 431.412;

4.2.1.4. American with Disabilities Act of 1990;

4.2.1.5. Title VI of the Civil Rights Act of 1964;

4.2.1.6. Section 504 of the Rehabilitation Act of 1973; and

4.2.1.7. Age Discrimination Act of 1975.

Exhibit B

Method and Conditions Precedent to Payment

1. The Contractor understands and agrees that no minimum or maximum payment to the Contractor is guaranteed by this Agreement. The Contractor understands and agrees that all payments under this Agreement are contingent upon the criteria set forth in Section 4 Payment and Funding Allocation of this Exhibit B. The Contractor understands and agrees that the Price Limitation identified in Block 1.8 of the General Provisions (P-37) represents the combined maximum possible payment for all Contractors for the duration of the Agreement. The Contractor understands and agrees that in no event shall the total amount of payments to all Contractors under *New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1* exceed the Price Limitation identified in Block 1.8 of the General Provisions (P-37).

   1.1. The Contractor, acting on behalf of the Integrated Delivery Network (IDN) serving Region 5, described as Central, Winnipesaukee, shall be recognized by the Department of Health and Human Services (DHHS) as the Administrative Lead of this IDN. Payments to the Contractor are in the Contractor's official capacity as Administrative Lead for this IDN.

      1.1.1. Payments to the Contractor are in support of the approved IDN activities and projects authorized under this Agreement during the Contract Period. The Contractor shall distribute such payments to the Region 5 IDN's member organizations in accordance with its governance documents.

   1.2. The Contractor shall ensure that the Contractor and member organizations in the Region 5 IDN complete and execute an applicable Certificate of Authorization, as specified in Exhibit K.

      1.2.1. The Contractor shall provide to DHHS a notarized original of such Certificates executed by the Contractor upon the Contractor's execution of this Agreement. All such Certificates shall be contained in Exhibit K-1.

      1.2.2. Within ten (10) calendar days of a member organization joining the Region 5 IDN, the Contractor shall provide to DHHS a notarized original of the applicable Certificate, referenced in 1.2. above, that has been executed by a duly authorized representative of the member organization. Additionally, the Contractor shall provide to DHHS a notarized original of a Certificate of Vote/Authorization, issued by the member organization's leadership body that conferred such authorization.

      1.2.3. Should any member organization cease participation in the IDN during the Contract Period, the Contractor shall provide the Department a notarized copy of the withdrawal document developed by the Contractor and the organization within ten (10) calendar days of withdrawal of participation in the IDN, and the Contractor shall certify that the Contractor is acting in accordance with the plan specified in Exhibit L-2 for such withdrawals.

      1.2.4. The Contractor shall not disburse any funds from this contract to a member organization of the Region 5 IDN until such time as the applicable Certificates referenced in 1.2.2. above are executed and provided to DHHS.

Exhibit B

2. Contract period: August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

3. The Contractor understands and agrees that payments made under this Agreement are for the Contractor's fulfillment of the duties and responsibilities specified in this Agreement.

4. **Payment and Funding Allocation**:

   Payments made under this Agreement shall be determined by DHHS in accordance with the payment methodology stated in Exhibit L-1, New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, Attachment D, DSRIP Program Funding and Mechanics Protocol, any revisions thereof, or the latest version as approved by the Centers for Medicare and Medicaid Services (CMS). DHHS determinations shall not be negotiable by the Contractor.

   4.1. Payment Schedule

   4.1.1. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, DHHS shall make a payment to the Contractor on behalf of the approved Region 5 IDN. This payment shall be in the amount of $1,392,857.

   4.1.2. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, based on the Region 5 IDN's share of attributed Medicaid beneficiaries, DHHS shall make payment of $900,630 to the Contractor. The attribution of Medicaid beneficiaries for this payment purpose shall be set by DHHS and shall not be negotiable by the Contractor.

   4.1.3. The payments specified in Subsections 4.1.1. and 4.1.2. above shall be used by the Contractor for costs incurred, on or after June 30, 2016 – the date DHHS approved the Region 5 IDN Application, and such costs are incurred by the Contractor to achieve metrics associated with the projects in the IDN's approved Project Plan or to sustain the metrics achieved through the Region 5 IDN's approved Project Plan and for otherwise allowable uses of incentive funds as described by DHHS in the Integrated Delivery Network (IDN) Application.

   4.1.4. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *ii.*, based on the Region 5 IDN's share of attributed Medicaid beneficiaries, DHHS shall allocate and make payment to the Contractor of a proportional share of the IDN Transformation Fund, upon the IDN's successful submission and DHHS approval of the IDN's Project Plan. The attribution of Medicaid beneficiaries for this purpose shall be set by DHHS and considered final for the remainder of the contract period; the attribution shall not be negotiable by the Contractor.

   4.1.5. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. b)., for calendar years 2017 through 2020, DHHS shall allocate the maximum amount of incentive funding annually available to be earned by the Region 5 IDN. Payment is conditional upon the Contractor's compliance with the Semi-Annual Reporting for IDN Project Achievement requirements specified in Exhibit L-1, or the latest CMS approved version thereof. DHHS shall make semi-annual incentive payments to the Contractor in accordance with the incentive payment methodology specified in Exhibit L-1, or

Exhibit B

the latest CMS approved version thereof. Payment of the maximum amount of funding available is not guaranteed.

4.1.6. Funds paid to the IDNs are a combination of Federal Funds and previously appropriated State General Funds, drawn down by the State in accordance with the Special Terms and Conditions and all of the applicable protocols approved by CMS of New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1*. The Department has been authorized to date to accept and expend $44.7 million through June 30, 2017. The Department's authority to disburse additional waiver funds above this amount is contingent upon receipt of further legislative approval.

5. The services described in Exhibit A, Scope of Services, are funded with 50% General funds, and 50% Federal funds made available under:

CFDA #:	93.778
Federal Agency:	U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services
Program Title:	Medical Assistance Programs
FAIN:	TBD

6. Reporting

6.1. Upon DHHS and CMS approval of the Region 5 IDN's final IDN Project Plans, the Contractor shall submit quarterly expenditure reports within thirty (30) calendar days of each calendar year quarter for the remaining contract period. These reports shall identify variances in actual expenditures versus the final IDN Project Plan; the Contractor shall include written explanations for all such variances.

6.2. Contractor inquiries regarding allocations and payments made by DHHS to the Contractor shall be directed by the Contractor to the DHHS designee:

Athena Gagnon, Senior Medicaid Financial Manager
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
Email: agagnon@dhhs.state.nh.us

7. Notwithstanding anything to the contrary herein, the Contractor agrees that payments under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been 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 Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

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

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

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

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

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

16. **Equal Employment Opportunity Plan (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 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.

   4.1 The Department shall not make payment to the Contractor until federal waiver funds sufficient for such payment are made available to the Department through the federal claiming process under the terms and conditions of New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1.

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

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

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

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

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

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

3. Subparagraph 6. Retroactive Payments, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with:

   6. **Reserved.**

4. Subparagraph 7. Conditions of Purchase, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   7. **Reserved.**

5. Subparagraph 12. Completion of Services, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   12. **Completion of Services:** Disallowance of Costs: Upon the Department's fulfillment of the payments required in subparagraph 4.1 Payment Schedule of Exhibit B of this Contract, 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 continue until the end of the term of this Contract, provided however, that if, upon review of the Final Expenditure Report the Department disallows any expenses claimed by the Contractor as costs that are not allowable under the New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, 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.

6. **Agreement Elements:**

   6.1 The Agreement between the parties shall consist of the following, in descending order of precedence:

   6.1.1 General Provisions (P-37);
   6.1.2 Exhibit A Scope of Services;
   6.1.3 Exhibit B Methods and Conditions Precedent to Payment;
   6.1.4 Exhibit C Special Provisions;
   6.1.5 Exhibit C-1 Revisions to Special Provisions;
   6.1.6 Exhibit D Certification Regarding Drug-Free Workplace Requirements;
   6.1.7 Exhibit E Certification Regarding Lobbying;
   6.1.8 Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters;
   6.1.9 Exhibit G Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections;
   6.1.10 Exhibit H Certification Regarding Environmental Tobacco Smoke;
   6.1.11 Exhibit I Health Insurance Portability Act Business Associate Agreement;
   6.1.11 Exhibit J Certification Regarding the Federal Funding Accountability and Transparency Act (FFATA) Compliance;
   6.1.12 Exhibit K and K-1 IDN Administrative Lead and Member Entity Certificates of Authorization;
   6.1.13 Exhibit L-1 through L-2 New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1 Documents and IDN Application, revisions thereof, or the later DHHS and CMS approved version thereof, including Attachments, incorporated by reference; and
   6.1.14 RFP-2016-OCOM-05-BUILD

   6.2 In the event of any conflict or contradiction between or among the Agreement documents, the document higher in the order of precedence shall control.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

67 Water St. Suite 105
Laconia, NH 03246

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

Contractor Name: Lakes Region Partnership for Public Health, Inc.

7.26.16
Date

Name: Alicia L. J Pillsbury
Title: Pres. Bd of Directors

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: Lakes Region Partnership for Public Health, Inc.

7.26.16
Date

Name:
Title: Pres. Bd of Directors

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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

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

PRIMARY COVERED TRANSACTIONS

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

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Lakes Region Partnership for Public Health, Inc

7.26.16
Date

Name: Alexis A. Millham
Title: Pres. Bd of Directors

Contractor Initials AM
Date 1.26.16

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.

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: Lakes Region Partnership for Public Health, Inc.

7-26-16
Date

Name:
Title: Pres. Bd of Directors

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: Lakes Region Partnership for Public Health, Inc.

7.26.16
Date

Name:
Title: Pres. Bd of Directors

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

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

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

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

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

(3) Obligations and Activities of Business Associate.

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

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

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

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

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

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

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

The State	Lakes Region Partnership for Public Health, Inc.
Signature of Authorized Representative	Signature of Authorized Representative
Jeffrey Meyers	ALIDA F. MILLHAM
Name of Authorized Representative	Name of Authorized Representative
Commissioner	Pres. Bd of Directors
Title of Authorized Representative	Title of Authorized Representative
7.27.16	7.26.16
Date	Date

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

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Lakes Region Partnership for Public Health, Inc.

7.26.16
Date

Name: Alicia L. Williams
Title: Pres. Bd of Dir.

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: 786707856

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

   X NO _____ YES

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

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

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

   _____ NO _____ YES

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

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

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

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed _____ of _____.
(Title Position of individual) (Administrative Lead)

2) I hereby certify that _____ is a member of
(Administrative Lead)

_____, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that _____ fully understands its obligations as
(Administrative Lead)

Administrative Lead for _____ and
(IDN Name)

assumes full responsibility for any and all obligations and liabilities as Administrative Lead for _____ pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

_____
Signature of Elected/Appointed Officer

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____
(Name of individual signing on behalf of Administrative Lead)

or satisfactorily proven to be _____ and
(Name of individual signing on behalf of Administrative Lead)

acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____
Notary Public/Justice of the Peace

My Commission Expires: _____

7.26.16

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Member Entity

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Member Entity)

duly elected/appointed _____ of _____.
(Title Position of individual) (Member Entity)

2) I hereby certify that _____, as a member of the
(Member Entity)

_____ Integrated Delivery Network
(IDN Name)

hereby authorizes _____ to act on our behalf
(Administrative Lead)

as the Administrative Lead for _____ IDN
(IDN Name)

and further authorizes _____ to enter into
(Administrative Lead)

contracts, receive and distribute funds, and perform all other actions required as the Administrative Lead for _____ IDN
(IDN Name)

pursuant to the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

3) The statements in this authorization are accurate and binding, and remain in full force and effect as of the date of this document.

4) The undersigned entity, as a member of the

_____understands and agrees that the
(IDN Name)

State of New Hampshire will rely on these statements when contracting with the

_____. This grant of authorization to
(Administrative Lead)

_____ shall be binding through the life of
(Administrative Lead)

the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract and shall survive its termination.

_____
Signature of Elected/Appointed Officer

7.26.16

EXHIBIT K

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____ or
(Name of individual signing on behalf of Member Entity)
satisfactorily proven to be _____ and
(Name of individual signing on behalf of Member Entity)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____

Notary Public/Justice of the Peace

My Commission Expires: _____

1.26.16

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, Alida Millham hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed President, Board of Directors of Lakes Region Partnership for Public Health, Inc.
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that Lakes Region Partnership for Public Health, Inc. is a member of
(Administrative Lead)
Community Health Services Network, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that Lakes Region Partnership for Public Health, Inc. fully understands its
(Administrative Lead)
obligations as Administrative Lead for Community Health Services Network and
(IDN Name)
assumes full responsibility for any and all obligations and liabilities as Administrative Lead for Community Health Services Network pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

Alida L. Millham
Signature of Elected/Appointed Officer

State of New Hampshire

County of Belknap

On this 8th day of July, 2016, before the undersigned officer personally appeared the person identified as Alida Millham
(Name of individual signing on behalf of Administrative Lead)
or satisfactorily proven to be Alida Millham and
(Name of individual signing on behalf of Administrative Lead)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

Colleen A Drouin
Notary Public/Justice of the Peace

My Commission Expires: Aug 14, 2018

COLLEEN A. DROUIN MY COMMISSION EXPIRES AUG. 14, 2018 NOTARY PUBLIC NEW HAMPSHIRE

Exhibit L-1

New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, *which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* any CMS approved revisions or the latter thereof are hereby incorporated by reference into this Contract as Exhibit L-1.

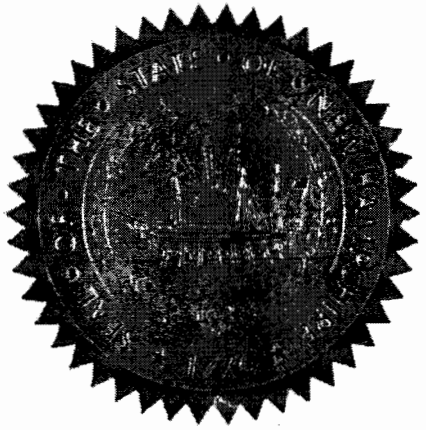
Exhibit L-2

The DHHS Approved IDN Application and Project Plans for the Region 5 IDN are hereby incorporated by reference into this Contract as Exhibit L-2, and any DHHS approved revisions or the latter thereof.

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 Lakes Region Partnership for Public Health, Inc. is a New Hampshire nonprofit corporation formed April 21, 2005. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 21st day of June A.D. 2016

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Judith LaFrance, of Lakes Region Partnership for Public Health, Inc. , do hereby certify that:

1. I am the duly elected Secretary of the Lakes Region Partnership for Public Health, Inc;

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the corporation duly held on September 24, 2015;

   RESOLVED: That this corporation enters into a contract with the State of New Hampshire, acting through its Department of Health and Human Services;.

   RESOLVED: That the President and/or Vice President is hereby authorized on behalf of this corporation to enter into said contract with the State and to execute any and all documents, agreements, and other instruments; and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable, or appropriate. Alida Millham is the duly elected President and Karin Salome is the duly elected Vice President of the corporation.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of July 26, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of the corporation this day of July 26, 2016.

Judith LaFrance
Secretary, Board of Directors

(CORPORATE SEAL)
STATE OF NH
COUNTY OF BELKNAP

The foregoing instrument was acknowledged before me this 26th day of July, 2016 by Judith LaFrance.

Colleen A. Drouin
Notary Public/Justice of the Peace
My Commission Expires: Aug 14, 2018

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 6/17/2016

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

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

PRODUCER	CONTACT NAME: Pat Mack
E & S Insurance Services LLC 21 Meadowbrook Lane P O Box 7425 Gilford NH 03247-7425	PHONE (A/C, No, Ext): (603) 293-2791 FAX (A/C, No): (603) 293-7188 E-MAIL ADDRESS: pat@esinsurance.com
INSURED	INSURER(S) AFFORDING COVERAGE / NAIC #
Lakes Region Partnership for Public Health, Inc., DBA Partnership for Public Health 67 Water Street, Suite 105 Laconia NH 03246	INSURER A: Great American Ins Group INSURER B: Hartford Underwriters Insuranc 30104 INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 2016 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC OTHER:			MAC3793453-10	3/10/2016	3/10/2017	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Professional Liability- each	$ 1,000,000 $ 300,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $ 1,000,000
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS X SCHEDULED AUTOS HIRED AUTOS X NON-OWNED AUTOS			CAP1898681-06	3/10/2016	3/10/2017	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Uninsured motorist combined	$ 1,000,000 $ $ $ $ 1,000,000
A	X UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED X RETENTION $ 10,000			UMB3793454-11	3/10/2016	3/10/2017	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000 $
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		04WECRJ0009	1/1/2016	1/1/2017	PER STATUTE / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 500,000 $ 500,000 $ 500,000

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

CERTIFICATE HOLDER

State of NH Dept of Health & Human Serv.
129 Pleasant Street
Concord, NH 03301-3857

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

Pat Mack/PAT

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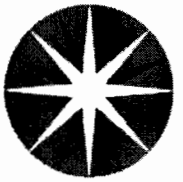
Lakes Region Partnership for Public Health, Inc.

67 Water Street, Suite 105, Laconia, NH 03246 ~ 603.528.2145 ~ www.LRPPH.org



Mission: To improve the health and well being of the Lakes Region through inter-organizational collaboration and community and public health improvement activities.

VACHON CLUKAY
& COMPANY PC

CERTIFIED PUBLIC ACCOUNTANTS
608 Chestnut Street • Manchester, New Hampshire 03104
(603) 622-7070 • Fax: (603) 622-1452 • www.vachonclukay.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Lakes Region Partnership for Public Health, Inc.
d/b/a Partnership for Public Health

Report on the Financial Statements

We have audited the accompanying financial statements of Lakes Region Partnership for Public Health, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Report on Comparative Information

The financial information for June 30, 2014 has been derived from Lakes Region Partnership for Public Health, Inc.'s fiscal year 2014 financial statements, which were audited by a predecessor auditor. An unmodified opinion was issued on those financial statements dated November 3, 2014. We were not engaged to audit, review, or apply any procedures on the June 30, 2014 financial statements of the Entity and, accordingly, we do not express an opinion or any other form of assurance on the 2014 financial statements as a whole.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2015, on our consideration of Lakes Region Partnership for Public Health, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lakes Region Partnership for Public Health, Inc.'s internal control over financial reporting and compliance.

Vachon Clukay & Company PC

Manchester, New Hampshire
November 5, 2015

LAKES REGION PARTNERSHIP FOR PUBLIC HEALTH, INC.
D/B/A PARTNERSHIP FOR PUBLIC HEALTH
STATEMENT OF FINANCIAL POSITION
June 30, 2015
(With Comparative Information for June 30, 2014)

ASSETS

	2015	2014
CURRENT ASSETS:		
Cash	$ 184,022	$ 272,749
Investments	30,033	-
Contracts receivable	411,275	190,624
Prepaid expenses	17,300	20,475
TOTAL CURRENT ASSETS	642,630	483,848
PROPERTY AND EQUIPMENT:		
Leasehold improvements	4,561	4,561
Furniture and equipment	14,510	14,510
Office equipment	17,808	25,909
	36,879	44,980
Less accumulated depreciation	(25,675)	(35,130)
PROPERTY AND EQUIPMENT, NET	11,204	9,850
OTHER NONCURRENT ASSETS:		
Deposit	3,236	2,499
TOTAL OTHER NONCURRENT ASSETS	3,236	2,499
TOTAL ASSETS	$ 657,070	$ 496,197

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	$ 222,022	$ 161,075
Accrued payroll	20,222	18,184
Accrued compensated absences	20,215	21,545
Accrued other expenses	15,000	15,358
Deferred contract revenue	119,979	116,576
Fiduciary funds	26,045	28,839
TOTAL CURRENT LIABILITIES	423,483	361,577
TOTAL LIABILITIES	423,483	361,577
NET ASSETS:		
Temporarily restricted	9,047	8,188
Unrestricted	224,540	126,432
TOTAL NET ASSETS	233,587	134,620
TOTAL LIABILITIES AND NET ASSETS	$ 657,070	$ 496,197

See notes to financial statements

LAKES REGION PARTNERSHIP FOR PUBLIC HEALTH, INC.
D/B/A PARTNERSHIP FOR PUBLIC HEALTH
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015
(With Comparative Information for June 30, 2014)

	2015	2014
CHANGES IN UNRESTRICTED NET ASSETS:		
SUPPORT AND REVENUE		
Contributions	$ 48,050	$ 20,675
In-kind support	44,943	83,098
Federal funds	1,565,608	1,091,796
State funds	223,253	194,222
Private grants and awards	83,078	112,471
Special events	7,054	3,632
Agent fees	147,392	91,694
Miscellaneous income	1,181	3,127
Interest income	77	40
TOTAL UNRESTRICTED SUPPORT AND REVENUE	2,120,636	1,600,755
NET ASSETS RELEASED FROM RESTRICTIONS:		
Satisfaction of donor restrictions	6,390	2,548
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	6,390	2,548
TOTAL UNRESTRICTED REVENUES AND OTHER SUPPORT	2,127,026	1,603,303
EXPENSES:		
Program services	1,783,369	1,406,247
Management and general	245,549	176,849
Fundraising and development	-	1,483
TOTAL EXPENSES	2,028,918	1,584,579
TOTAL INCREASE IN UNRESTRICTED NET ASSETS	98,108	18,724
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	7,249	3,632
Net assets released from restrictions	(6,390)	(2,548)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	859	1,084
CHANGE IN NET ASSETS	98,967	19,808
NET ASSETS, JULY 1	134,620	114,812
NET ASSETS, JUNE 30	$ 233,587	$ 134,620

See notes to financial statements

LAKES REGION PARTNERSHIP FOR PUBLIC HEALTH, INC.
D/B/A PARTNERSHIP FOR PUBLIC HEALTH
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2015
(With Comparative Information for June 30, 2014)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 98,967	$ 19,808
Adjustments to Reconcile Increase in Net Assets to		
to Net Cash (Used) Provided by Operating Activities:		
Depreciation	3,926	4,726
Change in assets and liabilities:		
Accounts receivable	(220,651)	(57,865)
Prepaid expenses	3,175	(11,137)
Deposit	(737)	-
Accounts payable	60,947	122,559
Accrued liabilities	350	12,111
Deferred contract revenue	3,403	16,725
Fiduciary passthrough	(2,794)	(868)
Net Cash (Used) Provided by Operating Activities	(53,414)	106,059
Cash Flows From Investing Activities:		
Purchase of investments	(30,033)	-
Purchase of property and equipment	(5,280)	-
Net Cash (Used) by Investing Activities	(35,313)	-
Net (decrease) increase in cash	(88,727)	106,059
Cash, beginning of year	272,749	166,690
Cash, ending of year	$ 184,022	$ 272,749
Supplemental Disclosures:		
In-kind donations received	$ 44,943	$ 83,098
In-kind expenses	(44,943)	(83,098)
	$ -	$ -

See notes to financial statements

LAKES REGION PARTNERSHIP FOR PUBLIC HEALTH, INC.
D/B/A PARTNERSHIP FOR PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015
(With Comparative Information for June 30, 2014)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Lakes Region Partnership for Public Health, Inc. (the Entity) was organized on May 21, 2005 to improve the health and well-being of the Lakes Region through inter-organizational collaboration and community and public health improvement activities.

Accounting Policies

The accounting policies of the Entity conform to accounting principles generally accepted in the United States of America as applicable to non-profit entities. The following is a summary of significant accounting policies.

Basis of Presentation

The financial statements have been prepared in accordance with the reporting pronouncements pertaining to Not-for-Profit Entities included within the FASB Accounting Standards Codification (FASB ASC 958-205). Under FASB ASC 958-205, the Entity is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Revenues from program services are recorded when earned. Other miscellaneous revenues are recorded upon receipt.

Contributions

The Entity accounts for contributions received in accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Recognition of Donor Restrictions

Contributions are recognized when the donor makes a promise to give to the Entity that is, in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets

depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and equivalents consists of demand deposits, cash on hand and all highly liquid investments with a maturity of 90 days or less.

Investments

Investments, which consist principally of certificates of deposit, are carried at their market value at June 30, 2015.

Property and Equipment

Property and equipment are stated at cost. Donated property and equipment is recorded at fair value determined as of the date of the donation. The Entity's policy is to capitalize expenditures for equipment and major improvements and to charge to operations currently for expenditures which do not extend the lives of related assets in the period incurred. Depreciation is computed using the straight-line method at rates intended to amortize the cost of related assets over their estimated useful lives as follows:

	Years
Leasehold improvements	10-15
Furniture and equipment	5-15
Office equipment	5-10

Depreciation expense was $3,926 and $4,726 for the years ended June 30, 2015 and 2014, respectively.

Compensated Absences

Employees of the Entity working full-time and part-time employees working at least 20 hours per week are entitled to paid time off. Vacation time is earned from the first day of work. A maximum of 160 hours can be earned based on years of service while 80 hours can be carried over and accumulated to the next year. Accumulated vacation time is payable upon termination of employment with proper notice. The Entity accrues accumulated vacation wages accordingly.

Donated Services, Materials and Facilities

The Entity receives significant volunteer time and efforts. The value of these volunteer efforts, while critical to the success of its mission, is not reflected in the financial statements since it does not meet the criteria necessary for recognition according to generally accepted accounting principles. Donated goods and professional services are recorded as both revenue and expense at estimated fair value.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated on the statement of functional expenses among the programs and supporting services based on percentage allocations determined by the Entity's management.

Bad Debts

The Entity uses the reserve method for accounting for bad debts. No allowance has been recorded as of June 30, 2015 and 2014, because management of the Entity believes that all outstanding receivables are fully collectible.

Estimates

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

Income Taxes

The Entity has received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code for any exempt function income. In addition, the Entity is not subject to state income taxes. Accordingly, no provision has been made for Federal or State income taxes.

The FASB adopted Accounting Standards Codification Topic 740 entitled *Accounting for Income Taxes* which requires the Entity to report uncertain tax positions for financial reporting purposes. FASB ASC 740 prescribes rules regarding how the Entity should recognize, measure and disclose in its financial statements, tax positions that were taken or will be taken on the Entity's tax returns that are reflected in measuring current or deferred income tax assets and liabilities. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for income tax payable or a reduction in a deferred tax asset or an increase in a deferred tax liability. The Entity does not have any material unrecognized tax benefits. As of June 30, 2015, the tax years ending June 30, 2014, 2013 and 2012 remain subject to possible examination by major tax jurisdictions.

Fair Value of Financial Instruments

Cash and equivalents, accounts receivable, accounts payable and accrued expenses are carried in the financial statements at amounts which approximate fair value due to the inherently short-term nature of the transactions. The fair values determined for financial instruments are estimates, which for certain accounts may differ significantly from the amounts that could be realized upon immediate liquidation.

Reclassification

Certain reclassifications have been made to the June 30, 2014 financial statement presentation to correspond to the current year format. These reclassifications had no effect on the change in net assets for the year ending June 30, 2014, as previously reported.

NOTE 2--CONCENTRATION OF CREDIT RISK

The Entity maintains bank deposits at local financial institutions located in New Hampshire. The Entity's demand deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to a total of $250,000. The balances in excess of federally insured limits for the Entity were $0 and $28,606 at June 30, 2015 and 2014, respectively.

NOTE 3--INVESTMENTS

Fair Value Measurements

The Entity reports under the Fair Value Measurements pronouncements of the FASB Accounting Standards Codification (FASB ASC 820) which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1 - Inputs to the valuation methodology are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs to the valuation include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities that are not active;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs at the closing price reported on the active market on which the individual securities are traded.

Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of Deposit: Valued at acquisition cost plus accrued interest which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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.

The following table sets forth by level, within the fair value hierarchy, the Entity's assets at fair value:

	Assets at Fair Value as of June 30, 2015
	Level 1
Certificates of Deposit	$ 30,033

Investment Valuation and Income Recognition

The Entity's investments as of June 30, 2015 are stated at fair value. Interest income is recorded on the accrual basis.

NOTE 4--DEFERRED INCOME

Deferred income of $119,979 as of June 30, 2015, represents unearned grant revenue on contracts from various funding agencies.

NOTE 5--LINE OF CREDIT

The Entity has a $50,000 line of credit with Bank of New Hampshire with an interest rate of 5.25%. The interest rate is based on the Wall Street Journal Prime Rate as published in the Wall Street Journal, which was 5.25% at June 30, 2015. At June 30, 2015 and 2014, the balance of the line of credit was $0.

NOTE 6--TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following donor restricted funding at June 30, 2015 and 2014:

	2015	2014
Family Caregivers Network	$ 2,323	$ 3,877
Volunteer CERT	873	571
N4A	1,006	1,006
CERT	4,611	2,500
Other	234	234
	$ 9,047	$ 8,188

NOTE 7--CONCENTRATION OF REVENUE RISK

The Entity's primary source of revenues is fees and grants received from the State of New Hampshire and directly from the federal government. During the years ended June 30, 2015 and 2014, the Entity recognized revenue of $1,788,861 (84.4%) and $1,286,018 (80.3%), respectively, from fees and grants from governmental agencies. Revenue is recognized as earned under the terms of the grant contracts and is received on a cost reimbursement basis. Other support originates from other program services, contributions, in-kind donations, and other income.

NOTE 8--LEASE COMMITMENTS

The Entity entered into a lease for office space located in Tamworth, NH with monthly lease payments of $1,533. Lease expense for the year ended June 30, 2015 was $19,449.

The Entity also has two leases for office space in Laconia, NH. The first lease has monthly payments of $2,030 through August 31, 2015. The second lease for additional office space was entered into on June 1, 2015 for a 3 year term. Monthly lease payments are $737. Lease expense for the year ended June 30, 2015 for these two leases was $25,209.

The following is a schedule, by years, of the future minimum payments for operating leases:

Year Ended June 30,	Annual Lease Commitments
2016	$ 34,070
2017	20,812
2018	11,344

NOTE 9--CONTINGENCIES

The Entity participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of additional expenses which may be disallowed by the granting agency cannot be determined at this time, although the Entity expects such amounts, if any, to be immaterial.

NOTE 10--SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 5, 2015, which is the date the financial statements were available to be issued.

LAKES REGION PARTNERSHIP FOR PUBLIC HEALTH, INC.
D/B/A PARTNERSHIP FOR PUBLIC HEALTH
SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2015

	Program Services	Management and General	Total Expenses
SALARIES AND RELATED EXPENSES:			
Salaries	$ 556,944	$ 152,786	$ 709,730
Employee benefits	71,445	8,527	79,972
Payroll taxes	44,726	12,513	57,239
	673,115	173,826	846,941
OTHER EXPENSES:			
Professional fees	7,274	15,075	22,349
Office expense	16,819	929	17,748
Program supplies	9,453	32	9,485
Contract service	878,367	41,169	919,536
Occupancy	57,219	1,672	58,891
Donated program services	41,173	3,770	44,943
Communications expense	13,043	520	13,563
Staff education/meetings	39,009	652	39,661
Repair and maintenance	14,993	-	14,993
Miscellaneous	2,587	5,366	7,953
Insurance	8,003	2,538	10,541
Equipment purchase/rent	13,659	-	13,659
Postage	3,766	-	3,766
Depreciation	3,926	-	3,926
Dues	963	-	963
Total	$ 1,783,369	$ 245,549	$ 2,028,918

SCHEDULE I

Lakes Region Partnership for Public Health, Inc.
d/b/a Partnership for Public Health
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Federal Catalogue Number	Expenditures
DEPARTMENT OF AGRICULTURE		
Pass Through Payments from the University of New Hampshire		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	$ 3,022
Total Department of Agriculture		3,022
DEPARTMENT OF VETERANS AFFAIRS		
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Veterans Medical Care Benefits	64.009	503,622
Total Department of Veterans Affairs		503,622
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Received directly from U.S. Treasury Department		
Medical Reserve Corps Small Grant Program	93.008	
#5MRCSG101005-04		3,930
#1H1TEP150026-01		1,559
		5,489
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Special Programs for the Aging Title IV and Title II Discretionary Projects #90MP0176	93.048	31,768
Pass Through Payments from the New Hampshire Department of Health and Human Services through the New Hampshire Easter Seals		
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	5,400
		37,168
Pass Through Payments from the New Hampshire Department of Health and Human Services		
National Family Caregiver Support, Title III, Part E #13AANHT3SP	93.052	57,299
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Public Health Emergency Preparedness #010-090-51710000	93.069	67,388
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Environmental Public Health and Emergency Response #UE1EH001046	93.070	1,828

See notes to schedule of expenditures of federal awards

SCHEDULE I
Lakes Region Partnership for Public Health, Inc.
d/b/a Partnership for Public Health
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2015

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Federal Catalogue Number	Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)		
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Medicare Enrollment Assistance Program	93.071	
#1X0CMS331283		21,936
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	17,904
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Immunization Cooperative Agreements	93.268	
#010-090-5178000		10,500
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Affordable Care Act - Aging and Disability Resource Center	93.517	
#90R00028		82,543
Pass Through Payments from the New Hampshire Department of Health and Human Services		
State Planning and Establishment Grants for the Affordable Care Act Exchanges	93.525	674,603
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Social Services Block Grant	93.667	
#1301NHSOSR		8,586
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Preventive Health and Health Services Block Grant funded solely with Preventive and Public Health Funds (PPHF)	93.758	
#B01OT009037		8,076
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Medical Assistance Program	93.778	
#61805505039B		60,832
Pass Through Payments from the New Hampshire Department of Health and Human Services through the New Hampshire Easter Seals		
Medical Assistance Program	93.778	
Ask the Question		11,566
		72,398

See notes to schedule of expenditures of federal awards

SCHEDULE I

Lakes Region Partnership for Public Health, Inc.
d/b/a Partnership for Public Health
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2015

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Federal Catalogue Number	Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)		
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	
#1NoCMS0220220-21-009		47,199
Pass Through Payments from the New Hampshire Department of Health and Human Services		
National Bioterrorism Hospital Preparedness Program	93.889	
#05-95-90-902510-5171		10,000
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	
#10250073495848502		73,280
Received directly from U.S. Treasury Department		
Preventive Health and Health Services Block Grant	93.991	1,900
Total Department of Health and Human Services		1,198,097
DEPARTMENT OF HOMELAND SECURITY		
Pass Through Payments from the New Hampshire Department of Safety		
Emergency Management Performance Grants	97.042	
#02-23-23-236010		1,889
Pass Through Payments from the New Hampshire Department of Safety		
Homeland Security Grant Program	97.067	4,800
Total Department of Homeland Security		6,689
Total Federal Financial Assistance		$ 1,711,430

See notes to schedule of expenditures of federal awards

LAKES REGION PARTNERSHIP FOR PUBLIC HEALTH, INC.
D/B/A PARTNERSHIP FOR PUBLIC HEALTH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2015

NOTE 1--GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Lakes Region Partnership for Public Health, Inc. The Entity's reporting entity is defined in Note 1 to the Entity's financial statements. All federal financial assistance passed through other governmental agencies is included in this schedule.

NOTE 2--BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Entity's financial statements.

NOTE 3--RELATIONSHIP TO FINANCIAL STATEMENTS

The recognition of expenditures of federal awards is included in fees and grants from governmental agencies.

VACHON CLUKAY
& COMPANY PC

CERTIFIED PUBLIC ACCOUNTANTS
608 Chestnut Street • Manchester, New Hampshire 03104
(603) 622-7070 • Fax: (603) 622-1452 • www.vachonclukay.com

REPORT 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*

Independent Auditor's Report

To the Board of Directors
Lakes Region Partnership for Public Health, Inc.
d/b/a Partnership for Public Health

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 financial statements of Lakes Region Partnership for Public Health, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lakes Region Partnership for Public Health, Inc.'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 Lakes Region Partnership for Public Health, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Lakes Region Partnership for Public Health, Inc.'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 Lakes Region Partnership for Public Health, Inc.'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.

Vachon Clukay & Company PC

Manchester, New Hampshire
November 5, 2015

VACHON CLUKAY
& COMPANY PC

CERTIFIED PUBLIC ACCOUNTANTS
608 Chestnut Street • Manchester, New Hampshire 03104
(603) 622-7070 • Fax: (603) 622-1452 • www.vachonclukay.com

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

To the Board of Directors
Lakes Region Partnership for Public Health, Inc.
d/b/a Partnership for Public Health

Report on Compliance for Each Major Federal Program

We have audited Lakes Region Partnership for Public Health, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Lakes Region Partnership for Public Health, Inc.'s major federal programs for the year ended June 30, 2015. Lakes Region Partnership for Public Health, Inc.'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Lakes Region Partnership for Public Health, Inc.'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Lakes Region Partnership for Public Health, Inc.'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 the major federal programs. However, our audit does not provide a legal determination of Lakes Region Partnership for Public Health, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Lakes Region Partnership for Public Health, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Lakes Region Partnership for Public Health, Inc. is 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 Lakes Region Partnership for Public Health, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs 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 OMB Circular A-133, 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 Lakes Region Partnership for Public Health, Inc.'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vachon Clukay & Company PC

Manchester, New Hampshire
November 5, 2015

Lakes Region Partnership for Public Health, Inc.
d/b/a Partnership for Public Health
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I--Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*Unmodified*		
Internal control over financial reporting:			
Material weakness(es) identified?	____ yes	X no	
Significant deficiency(ies) identified not considered to be material weaknesses?	____ yes	X none reported	
Noncompliance material to financial statements noted?	____ yes	X no	

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	____ yes	X no	
Significant deficiency(ies) identified not considered to be material weaknesses?	____ yes	X none reported	
Type of auditor's report issued on compliance for major programs:	*Unmodified*		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	____ yes	X no	

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
64.009	Veterans Medical Care Benefits
93.525	State Planning and Establishment Grants for the Affordable Care Act Exchanges

Dollar threshold used to distinguish between Type A and Type B program:	$ 300,000	
Auditee qualified as low-risk auditee?	____ yes	X no

Section II--Financial Statement Findings

There were no findings relating to the financial statements required to be reported by GAGAS.

Section III—Federal Award Findings and Questioned Costs

There were no findings and questioned costs as defined under OMB Circular A-133 .510(a).

Lakes Region Partnership for
for Public Health
Board of Directors
July, 2016

Directors
Alida Millham, President
Karin Salome, Vice President
David Emberley, Treasurer
Judith Lafrance, Secretary
Warren Bailey
Kathy Berman
Liane Clairmont
Richard Crocker
Denise Hubbard
Astha Joshi
Shawn Riley
Sandra McLaughlin
Kate Miller

Lisa M. Morris 67 Water Street Suite 105 Laconia, NH 03246 (603) 528-2145

EXPERIENCE

LAKES REGION PARTNERSHIP FOR PUBLIC HEALTH, INC. Laconia, NH 10/05- Present
EXECUTIVE DIRECTOR

- In conjunction with the Board of Directors, establish annual goals and objectives, action plans and evaluation strategies for the purpose of improving the health and well being of the citizens of the Lakes Region.
- Develop and implement action plans and evaluation strategies to operationalize selected goals.
- Manage inter-organizational cooperation and collaboration among Partners and external organizations to mitigate program duplication, fill needs gaps and develop public service plans to meet the evolving social and public health needs of the Lakes Region community.
- Hire and supervise LRPPH staff positions and programs that support the Partnership.
- Cultivate, develop and maintain external relationships with community organizations.
- Create annual public relations plan to create positive awareness of the LRPPH.
- Work with other agencies to conduct periodic community assessments and use that information to guide programs and policies.
- Responsible for grant prospecting, grant writing and all grant and financial reporting functions.
- Establish annual budget in partnership with the Board of Directors
- Manage annual budget for LRPPH and report quarterly to Board of Directors on financial status.
- Coordinate function of the Winnipesaukee Public Health Council.

SERVICELINK RESOURCE CENTER OF BELKNAP COUNTY, Laconia, NH 2/00-2008
PROGRAM DIRECTOR

- Directs the overall operation of a specialized aging/disability information and referral service for Belknap County

LAKES REGION GENERAL HOSPITAL, Laconia, NH 11/99-2/04
EMERGENCY ROOM SOCIAL WORKER

LACONIA CENTER-GENESIS ELDER CARE, Laconia, NH 2/99-10/99
DIRECTOR OF ADMISSIONS

- Assisted individuals and families in accessing skilled and nursing facility based care
- Provided marketing and public relations activities
- Provided case management, individual and family counseling for skilled residents

STRAFFORD GUIDANCE CENTER, Dover, NH 1991-1998
ASSISTANT CLINCIAL DIRECTOR
DIRECTOR, COMMUNITY SUPPORT PROGRAMS
ASSISTANCE DIRECTOR COMMUNITY SUPPORT PROGRAM

- Managed the overall clinical and administrative operations of Community Support Programs serving 500 adults with severe mental illness including: elder services, case management, therapy, nursing, vocational and housing services
- Promoted and coordinated community involvement through regional planning and partnership building activities
- Member of the Strafford Guidance Center Executive Committee which provided overall management of clinical and administrative operations as well as planning and development for the entire agency.

SEACOAST MENTAL HEALTH CENTER, Portsmouth, NH 6/90-6/91
COORDINATOR OF VOCATIONAL SERVICES

- Assisted clients with severe mental illness obtain employment
- Supervised staff, budget development, quality assurance activities including JCAHO accreditation
- Educated the competitive job market to increase employer's willingness and capability to hire clients through supported and unsupported placements

MENTAL HEALTH CENTER OF GREATER MANCHESTER, Manchester, NH 11/84-6/90
ADMINISTRATIVE COORDINATOR
ASSISTANT PROGRAM COORDINATOR
THERAPEUTIC ACTIVITIES SUPERVISOR
OCCUPATIONAL THERAPIST/CASE MANAGER
EMERGENCY SERVICES RELIEF WORKER
Program management and direct service activities for large day treatment program for adults with severe mental illness

WESTCHESTER COUNTY JAIL, Valhalla, NY 5/83-9/84
OCCUPATIONAL THERAPIST
SOUTH BEACH PSYCHIATRIC CENTER, Union, NJ 1/81-5/83
OCCUPATIONAL THERAPIST

EDUCATION

SPRINGFIELD COLLEGE, Springfield, MA 1988
MASTERS OF SCIENCE, SOCIAL WORK

KEAN STATE COLLEGE OF NEW JERSEY, Union, NJ 1980
BACHELORS OF SCIENCE, OCCUPATIONAL THERAPY

MEMBERSHIPS/AFFILIATIONS

Leadership Lakes Region -2010 graduate
Member NH Association for Non-Profits
Member NH Public Health Association
Member, Board of Directors, Upstream 2004
Certified Information and Referral Specialist for Aging, Alliance of Information and Referral Systems, 2005-2008
Certified Counselor, Health Information Counseling Education Assistance Services, 2002-2006
Member, Board of Directors, Tri-City Consumer Action Cooperative, 1997
Private, non-profit organization that provides peer support services for adults with mental illness
Chair and Member of Board of Directors, The Housing Consortium, 1994
Promote availability of affordable, non-discriminatory safe housing in Strafford County
Past member of National Association of Social Workers, Alliance for the Mentally Ill of NH and International Association for Psychosocial Rehabilitation Services

PRESENTATIONS

"Working Together; Enhancing Partnerships in Public Health"-Keynote Speaker NH Public Health Association Annual Meeting
"Planning Ahead: The Key to Healthy Aging"- Keynote Speaker Speare Memorial Hospital Aging Conference
"ServiceLink, A Virtual Tour" Administration on Aging Summit National Leadership Conference
"The Housing Consortium", State Conference New Hampshire Alliance for the Mentally Ill
"Building Partnerships in the Community", National Conference, International Association for Psychosocial Rehabilitation Services
"Functional Assessment and Skill Building as Clinical Intervention", NH Community Support Services Conference

Marie L. Tule, CPA, MSA
MTule@pphnh.org

Educational Experience

Bentley University – MS in Accountancy
University of Vermont – BA degree

Work Experience

Lakes Region Partnership for Public Health, Laconia, NH 2013 – Current
Finance Director

- Prepare and analyze monthly financial statements
- Develop budgets and forecasts, and manage cash flow
- Responsible for contract billing and reporting
- Supervise accounting staff.

Melanson Heath & Company, PC, Nashua, NH 1994 – 2013
Manager

- Planned, supervised, and prepared audited GAAP financial statements and compliance reports for nonprofit and commercial clients.
- Performed financial statement and data analytics, reconciled general ledger accounts, prepared audit schedules and adjusting entries.
- Documented accounting systems, evaluated client internal controls, and prepared management letters of recommendations.
- Proficient in Microsoft Excel, Word, PowerPoint, QuickBooks, and Fixed Asset software.
- Conducted presentations to Boards and audit committees of financial statements and compliance audit results.

Price Waterhouse Coopers, LLP, Manchester, NH 1989 – 1994
Senior Accountant

- Planned, supervised, and performed audits, reviews, and compilations of financial statements.
- Clients included manufacturing, financial, and higher educational institutions.
- Performed Federal compliance (A-133) audits of sponsored research programs.

The Donoghue Organization, Holliston, MA 1986 – 1988
Controller/Financial Analyst

- Prepared and analyzed monthly financial statements for newsletter publishing company.
- Supervised accounting staff including general ledger, accounts receivables, payroll, and accounts payables functions.
- Prepared budgets and forecasts, and managed cash flow.
- Responsible for human resource function.

Dennison Computer Supplies, Waltham, MA 1984 - 1986

Payroll Administrator

- Responsible for payroll function including filing monthly and quarterly tax reports (Forms 940,941)

Billing Coordinator

- Responsible for invoicing all shipments, rentals, and maintenance contracts. Filed sales & use tax returns.

Senior Accounts Payable

- Processed invoices and prepared vendor checks.

Accounts Receivable

- Applied cash receipts to AR ledger and researched discrepancies.

Volunteer Experience

NH Society of Certified Public Accountants — May, 2010 – Present
Committee Chair

Greater Nashua Mental Health Center – Treasurer — March, 2011 - Present
Audit & Finance Committee Chair

Various local nonprofits – Treasurer, Trustee — 2001 – 2013

References - Available upon request.

REVISED DRAFT Job Requirements /Description

Community Health Services Network: Executive Director

Position Description: Community Health Services Network, a newly formed Integrated Delivery Network covering the Lakes Region and Central NH. The Executive Director will lead the organization in efforts and priorities established by the board of directors, to transform care delivery to our residents facing mental health and substance use disorders. This leadership position will be responsible for implementing regionally based strategies to improve access, quality, outcomes and costs of care delivery, coordination, and building engagement and collaboration between healthcare, (Primary Care) behavioral health, social service organizations and communities.

Experience: The Executive Director will be an individual with leadership experience in healthcare, specifically related to healthcare delivery system reform, leading and facilitating collaboration amongst diverse groups, and familiarity of the behavioral health field.

The Director will be responsible to:

- Bring people together and hold people accountable in a large scale community development /network development effort.
- Supervise a project team.
- Collaborate with CHSN membership and its partners to develop a comprehensive project plan to include foundational tools and meet human resource needs that will build capacity needed to implement the Integrated Delivery Network Project Plan.
- Coordinate/provide support to CHSN partners in the implementation of the DHHS approved Project Plan.
- To lead community teams that represent diverse focus areas.
- Have excellent organization, writing, computer and oral communication skills.
- Provide technical assistance and support to CHSN members and its partners to apply proven quality improvement and performance management approaches and tools so that individuals can achieve their performance goals and deliver high-quality, cost-effective, client/ patient-centered care.

- Provide community based outreach to educate and engage potential CHSN partners.
- Have Experience leading and facilitating collaborative community-wide efforts.
- Review existing data sets, regional/state assessments.
- Work with CHSN members to identify and manage performance against goals and metrics.
- Compile and analyze data and develop reports for CHSN membership and NH DHHS as requested
- Be familiar with Cultural and Linguistic Appropriate Services Standards (CLAS) to address regional diversity and promote health equity.

Qualifications: Masters Degree preferred in Organizational Leadership, Business, Healthcare Administration, Public Health or Community Social Work or related field with experience in delivery system reform, building collaborations and leading a start-up organization to achieve its strategic goals. Experience in substance use or mental health is preferred but not required.
Knowledge of the Lakes Region and/or Central NH area desired.

Responsible To:
The Executive Director will be responsible to the board of directors of the CHSN, and will work closely with the Project lead.

Must have reliable personal transportation.

Key Personnel List

New Hampshire Department of Health and Human Services

Administrative Lead: Lakes Region Partnership for Public Health, Inc.
Region Number: 5

A	B	C
Name of Individual	**Title**	**Annual Salary**
Lisa M. Morris	Executive Director	$ 70,000
Marie L. Tule, CPA	Finance Director (part-time)	$ 49,247
(Vacant)	CHSN, LLC Executive Director	$ 70,000

Subject: IDN Administrative Lead (RFP-2016-OCOM-05-BUILD-06)

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

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name County of Strafford, New Hampshire		1.4 Contractor Address 259 County Farm Road Dover, NH 03820	
1.5 Contractor Phone Number (603) 742-1458	1.6 Account Number 05-95-47-470010-52010000	1.7 Completion Date June 30, 2021	1.8 Price Limitation $135,000,000
1.9 Contracting Officer for State Agency Eric B. Borrin, Director		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory George Maglaras, Chairman	

1.13 Acknowledgement: State of NH, County of Strafford

On 7/28/16, 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]

JEAN L. MICCOLO
MY COMMISSION EXPIRES JAN. 14, 2020
NOTARY PUBLIC NEW HAMPSHIRE

1.13.2 Name and Title of Notary or Justice of the Peace

Jean L. Miccolo, Notary Public

1.14 State Agency Signature Date: 7.29.17	1.15 Name and Title of State Agency Signatory Jeffrey Meyers, 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: Megan A. Yeh-Attorney	On: 8/5/16
1.18 Approval by the Governor and Executive Council *(if applicable)* By:	On:

7-28-16

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").

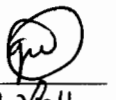
3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective 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

Contractor Initials 
Date 7-28-16

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.

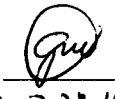
10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail 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 $1,000,000per 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.

Contractor Initials 
Date 7-28-16

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 JM

Date 7-28-16

Scope of Services

1. Provisions Applicable to All Services

1.1. Language Assistance Services

The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. Future Legislative Action

The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Contract Period

The contract resulting from this RFP will be effective August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

1.4. Administrative Lead Contractual Role

The Contractor is the Administrative Lead for the Integrated Delivery Network (IDN) for Region 6 , described as Seacoast & Strafford, under the Department of Health and Human Services Delivery System Reform Incentive Payment Program. The Contractor shall understand and assume full responsibility for any and all obligations and liabilities as the Administrative Lead for the Region 6 IDN pursuant to this Contract and in compliance with the Special Terms and Conditions issued by the Centers for Medicare and Medicaid Services (CMS) for the *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1, which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* which are hereby incorporated by reference into this Contract as Exhibit L-1.

As the Administrative Lead, the Contractor shall act on behalf of the members organizations, documented in Exhibit K-1 of this Contract, of the Region 6 IDN, including entering this Contract, and receiving and distributing funds provided through this Contract, and in accordance with the Region 6 IDN's governance and management structure, as outlined in the IDN's approved Project Plan.

1.5. DHHS Approved IDN Application and Project Plans

The DHHS Approved IDN Application and Project Plans for the Region 6 IDN are hereby incorporated by reference into this Agreement as Exhibit L-2, and any DHHS approved revisions or the latter thereof. The Contractor shall provide services under this Agreement and consistent with these IDN-specific documents, in addition to the documents referenced in subsection 1.4 herein.

2. Statement of Work

2.1. Goals and Expectations for IDN

2.1.1. Composition and Region Served

2.1.1.1. The IDN shall be made up of multiple community-based social service organizations, hospitals, county facilities, primary care providers, and behavioral health providers (both mental health and substance use disorder). The Contractor shall ensure that it establishes with and maintains a clear business relationship between the IDN's component providers, including a joint budget and funding distribution plan that specifies the methodology for distributing funding to participating providers within the IDN. The funding distribution plan must comply with all applicable laws and regulations.

2.1.1.2. The IDN shall serve the geographic region designated by DHHS as Region 6.

2.1.1.3. The parties acknowledge and understand that IDN's member organizations are permitted to participate in multiple IDNs and are not limited to participation in the Region 6 IDN.

2.1.2. Partnering

2.1.2.1. The Contractor shall ensure that IDN member organizations partner with each other within the Region 6 IDN to design and implement DHHS and CMS approved projects, specific to New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1,* to build behavioral health (mental health and substance use disorder) capacity, promote integration of primary care and behavioral health, facilitate smooth transitions in care, and prepare for alternative payment models.

2.1.2.2. The Contractor shall ensure that the Region 6 IDN provides the full spectrum of care and related social services that might be needed by an individual with a behavioral health (mental health and/or substance use disorder) condition. At a minimum, the IDN shall include the following provider types as member organizations:

a. Primary care practices and facilities, serving the majority of Medicaid beneficiaries;
b. Substance use disorder (SUD) providers, including recovery providers, serving the majority of Medicaid beneficiaries;
c. Representation from Regional Public Health Networks;
d. One or more Regional Community Mental Health Centers;
e. Peer-based support and/or community health workers from across the full spectrum of care;
f. One or more hospitals;
g. One or more Federally Qualified Health Centers, Community Health Centers or Rural Health Clinics where available within a defined region;
h. Multiple community-based organizations that provide social and support services reflective of the social determinants of health for a variety of populations, such as transportation, housing, employment services,

financial assistance, childcare, veterans services, community supports, legal assistance, etc.

i. County facilities, such as nursing facilities and correctional institutions.

2.1.3. Goals

2.1.3.1. The Region 6 IDN shall build greater behavioral health capacity, improve integration of physical and behavioral health, and improve care transitions for Medicaid beneficiaries. Under this Contract, the achievement of these goals shall be supported by the IDN's ability to earn performance-based fiscal incentive payments for achieving specified process milestones and clinical outcome metric targets. These shall be achieved in compliance with the IDN's DHHS and CMS approved IDN application and Project Plan.

2.1.4. Administrative Functions

2.1.4.1. The Contractor shall fulfill the reporting and project management responsibilities described in its DHHS and CMS approved IDN Application, including at minimum: capturing, integrating and consolidating data from IDN partner organization as part of the periodic reporting to DHHS throughout the Contract Period. This shall include but not be limited to associated process and outcome metrics that must be reported for each calendar year 2017 through 2020 (Demonstration years 2 through 5) on a semi-annual basis for each stated goal or objective of a project undertaken as part of this Agreement. DHHS reserves the right to designate that some or all reporting requirements utilize standardized reporting forms and at minimum, those required by CMS. The Contractor shall utilize all required DHHS and CMS approved standardized reporting forms; any other reporting formats used by the Contractor shall be subject to DHHS approval.

2.1.4.2. The Contractor shall apply financial processes and controls to maintain its financial stability and ability, throughout the Contract Period, to ensure that transparency and accountability in the management and distribution of waiver funding to the IDN's partner organizations is achieved.

2.1.4.3. The Contractor shall ensure that the IDN participates in Alternative Payment Models that are adopted by DHHS with Medicaid Service delivery and Medicaid managed care plans.

2.1.4.4. The Contractor shall ensure that the Contractor and its IDN partner organizations participate in and collaborate with DHHS designees and agents of DHHS that are assigned to perform and fulfill certain roles and responsibilities under New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1*, including but not limited to the: Independent Assessor, Learning Collaborative leader, Demonstration Health Information Technology Taskforce leader, Demonstration Workforce Capacity leader, and Independent Evaluator, upon DHHS request.

3. Staffing

3.1. Minimum Staffing Requirements

3.1.1. The Contractor shall provide adequate numbers of professionally qualified staff to perform all required contracted services. At minimum, this shall include staff to fulfill the contractual responsibilities specified in Exhibit L-2, the IDN's DHHS approved application, and as required in Exhibits L-1.

3.1.2. The Contractor shall guarantee that all personnel providing the services required by the Contract are qualified to perform their assigned tasks and possess the appropriate professional certification and licensing that may be required by state and federal laws, rules and regulations.

3.1.3. DHHS shall be advised of, and approve in writing, any permanent or temporary changes to or deletions from the Contractor's key personnel who directly impact the management and provision of the contracted services described herein. This requirement shall not extend to the key personnel of the IDN's partner organizations unless such individuals also hold a role required of the Administrative Lead as specified in Exhibit L-1.

4. Compliance

4.1. Delegation and Subcontractors

4.1.1. The Contractor shall identify, and provide advance notice to DHHS, of any and all subcontractors to be utilized in fulfillment of its contractual responsibilities. DHHS reserves the right to accept or reject the use of any subcontractor.

4.2. Compliance with Federal Regulations

4.2.1. The Contractor shall ensure that the delivery of services shall be completed in compliance with the following Federal regulations:

4.2.1.1. Medicaid -42 U.S.C. §1396 et seq (Title XIX Social Security Act);

4.2.1.2. Managed Care Reporting-42 U.S.C. §438 et seq;

4.2.1.3. Transparency-42 C.F.R. 431.412;

4.2.1.4. American with Disabilities Act of 1990;

4.2.1.5. Title VI of the Civil Rights Act of 1964;

4.2.1.6. Section 504 of the Rehabilitation Act of 1973; and

4.2.1.7. Age Discrimination Act of 1975.

Exhibit B

Method and Conditions Precedent to Payment

1. The Contractor understands and agrees that no minimum or maximum payment to the Contractor is guaranteed by this Agreement. The Contractor understands and agrees that all payments under this Agreement are contingent upon the criteria set forth in Section 4 Payment and Funding Allocation of this Exhibit B. The Contractor understands and agrees that the Price Limitation identified in Block 1.8 of the General Provisions (P-37) represents the combined maximum possible payment for all Contractors for the duration of the Agreement. The Contractor understands and agrees that in no event shall the total amount of payments to all Contractors under *New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1* exceed the Price Limitation identified in Block 1.8 of the General Provisions (P-37).

   1.1. The Contractor, acting on behalf of the Integrated Delivery Network (IDN) serving Region 6, described as Seacoast & Strafford, shall be recognized by the Department of Health and Human Services (DHHS) as the Administrative Lead of this IDN. Payments to the Contractor are in the Contractor's official capacity as Administrative Lead for this IDN.

      1.1.1. Payments to the Contractor are in support of the approved IDN activities and projects authorized under this Agreement during the Contract Period. The Contractor shall distribute such payments to the Region 6 IDN's member organizations in accordance with its governance documents.

   1.2. The Contractor shall ensure that the Contractor and member organizations in the Region 6 IDN complete and execute an applicable Certificate of Authorization, as specified in Exhibit K.

      1.2.1. The Contractor shall provide to DHHS a notarized original of such Certificates executed by the Contractor upon the Contractor's execution of this Agreement. All such Certificates shall be contained in Exhibit K-1.

      1.2.2. Within ten (10) calendar days of a member organization joining the Region 6 IDN, the Contractor shall provide to DHHS a notarized original of the applicable Certificate, referenced in 1.2. above, that has been executed by a duly authorized representative of the member organization. Additionally, the Contractor shall provide to DHHS a notarized original of a Certificate of Vote/Authorization, issued by the member organization's leadership body that conferred such authorization.

      1.2.3. Should any member organization cease participation in the IDN during the Contract Period, the Contractor shall provide the Department a notarized copy of the withdrawal document developed by the Contractor and the organization within ten (10) calendar days of withdrawal of participation in the IDN, and the Contractor shall certify that the Contractor is acting in accordance with the plan specified in Exhibit L-2 for such withdrawals.

      1.2.4. The Contractor shall not disburse any funds from this contract to a member organization of the Region 6 IDN until such time as the applicable Certificates referenced in 1.2.2. above are executed and provided to DHHS.

Exhibit B

2. Contract period: August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

3. The Contractor understands and agrees that payments made under this Agreement are for the Contractor's fulfillment of the duties and responsibilities specified in this Agreement.

4. **Payment and Funding Allocation**:

   Payments made under this Agreement shall be determined by DHHS in accordance with the payment methodology stated in Exhibit L-1, New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, Attachment D, DSRIP Program Funding and Mechanics Protocol, any revisions thereof, or the latest version as approved by the Centers for Medicare and Medicaid Services (CMS). DHHS determinations shall not be negotiable by the Contractor.

   4.1. Payment Schedule

   4.1.1. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, DHHS shall make a payment to the Contractor on behalf of the approved Region 6 IDN. This payment shall be in the amount of $1,392,857.

   4.1.2. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, based on the Region 6 IDN's share of attributed Medicaid beneficiaries, DHHS shall make payment of $1,689,919 to the Contractor. The attribution of Medicaid beneficiaries for this payment purpose shall be set by DHHS and shall not be negotiable by the Contractor.

   4.1.3. The payments specified in Subsections 4.1.1. and 4.1.2. above shall be used by the Contractor for costs incurred, on or after June 30, 2016 – the date DHHS approved the Region 6 IDN Application, and such costs are incurred by the Contractor to achieve metrics associated with the projects in the IDN's approved Project Plan or to sustain the metrics achieved through the Region 6 IDN's approved Project Plan and for otherwise allowable uses of incentive funds as described by DHHS in the Integrated Delivery Network (IDN) Application.

   4.1.4. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *ii.*, based on the Region 6 IDN's share of attributed Medicaid beneficiaries, DHHS shall allocate and make payment to the Contractor of a proportional share of the IDN Transformation Fund, upon the IDN's successful submission and DHHS approval of the IDN's Project Plan. The attribution of Medicaid beneficiaries for this purpose shall be set by DHHS and considered final for the remainder of the contract period; the attribution shall not be negotiable by the Contractor.

   4.1.5. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. b)., for calendar years 2017 through 2020, DHHS shall allocate the maximum amount of incentive funding annually available to be earned by the Region 6 IDN. Payment is conditional upon the Contractor's compliance with the Semi-Annual Reporting for IDN Project Achievement requirements specified in Exhibit L-1, or the latest CMS approved version thereof. DHHS shall make semi-annual incentive payments to the Contractor in accordance with the incentive payment methodology specified in Exhibit L-1, or

the latest CMS approved version thereof. Payment of the maximum amount of funding available is not guaranteed.

4.1.6. Funds paid to the IDNs are a combination of Federal Funds and previously appropriated State General Funds, drawn down by the State in accordance with the Special Terms and Conditions and all of the applicable protocols approved by CMS of New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1*. The Department has been authorized to date to accept and expend $44.7 million through June 30, 2017. The Department's authority to disburse additional waiver funds above this amount is contingent upon receipt of further legislative approval.

5. The services described in Exhibit A, Scope of Services, are funded with 50% General funds, and 50% Federal funds made available under:

CFDA #:	93.778
Federal Agency:	U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services
Program Title:	Medical Assistance Programs
FAIN:	TBD

6. Reporting

6.1. Upon DHHS and CMS approval of the Region 6 IDN's final IDN Project Plans, the Contractor shall submit quarterly expenditure reports within thirty (30) calendar days of each calendar year quarter for the remaining contract period. These reports shall identify variances in actual expenditures versus the final IDN Project Plan; the Contractor shall include written explanations for all such variances.

6.2. Contractor inquiries regarding allocations and payments made by DHHS to the Contractor shall be directed by the Contractor to the DHHS designee:

Athena Gagnon, Senior Medicaid Financial Manager
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
Email: agagnon@dhhs.state.nh.us

7. Notwithstanding anything to the contrary herein, the Contractor agrees that payments under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been 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 Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

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

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

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

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

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

16. **Equal Employment Opportunity Plan (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 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.

      4.1 The Department shall not make payment to the Contractor until federal waiver funds sufficient for such payment are made available to the Department through the federal claiming process under the terms and conditions of New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1.

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

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

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

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

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

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

3. Subparagraph 6. Retroactive Payments, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with:

   6. **Reserved.**

4. Subparagraph 7. Conditions of Purchase, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   7. **Reserved.**

5. Subparagraph 12. Completion of Services, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   12. **Completion of Services:** Disallowance of Costs: Upon the Department's fulfillment of the payments required in subparagraph 4.1 Payment Schedule of Exhibit B of this Contract, 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 continue until the end of the term of this Contract, provided however, that if, upon review of the Final Expenditure Report the Department disallows any expenses claimed by the Contractor as costs that are not allowable under the New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, 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.

6. **Agreement Elements:**

   6.1 The Agreement between the parties shall consist of the following, in descending order of precedence:

   6.1.1 General Provisions (P-37);
   6.1.2 Exhibit A Scope of Services;
   6.1.3 Exhibit B Methods and Conditions Precedent to Payment;
   6.1.4 Exhibit C Special Provisions;
   6.1.5 Exhibit C-1 Revisions to Special Provisions;
   6.1.6 Exhibit D Certification Regarding Drug-Free Workplace Requirements;
   6.1.7 Exhibit E Certification Regarding Lobbying;
   6.1.8 Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters;
   6.1.9 Exhibit G Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections;
   6.1.10 Exhibit H Certification Regarding Environmental Tobacco Smoke;
   6.1.11 Exhibit I Health Insurance Portability Act Business Associate Agreement;
   6.1.11 Exhibit J Certification Regarding the Federal Funding Accountability and Transparency Act (FFATA) Compliance;
   6.1.12 Exhibit K and K-1 IDN Administrative Lead and Member Entity Certificates of Authorization;
   6.1.13 Exhibit L-1 through L-2 New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1 Documents and IDN Application, revisions thereof, or the later DHHS and CMS approved version thereof, including Attachments, incorporated by reference; and
   6.1.14 RFP-2016-OCOM-05-BUILD

   6.2 In the event of any conflict or contradiction between or among the Agreement documents, the document higher in the order of precedence shall control.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

Contractor Name: Strafford County

July 28, 2016
Date

Name: George Maglaras
Title: Chairman

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: Strafford County

July 28, 2016
Date

Name: George Maglaras
Title: Chairman

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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

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

PRIMARY COVERED TRANSACTIONS

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

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Strafford County

July 28, 2016
Date

Name: George Maglaras
Title: Chairman

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.

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: Strafford County

July 28, 2016
Date

Name: George Maglaras
Title: Chairman

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: Strafford County

July 28, 2016
Date

Name: George Maglaras
Title: Chairman

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

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

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

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

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

(3) Obligations and Activities of Business Associate.

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

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

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

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

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

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

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

The State	Name of the Contractor
Signature of Authorized Representative	Signature of Authorized Representative
Jeffrey Meyers	George Maglaras
Name of Authorized Representative	Name of Authorized Representative
Commissioner	Chairman
Title of Authorized Representative	Title of Authorized Representative
7.29.16	July 28, 2016
Date	Date

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

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Strafford County

July 28, 2016
Date

Name: George Maglaras
Title: Chairman

FORM A

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

1. The DUNS number for your entity is: 07-395-9439

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

   _X_ NO _____ YES

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

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

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

   _____ NO _____ YES

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

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

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

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that _____ is a member of
(Administrative Lead)

_____, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that _____ fully understands its obligations as
(Administrative Lead)

Administrative Lead for _____ and
(IDN Name)

assumes full responsibility for any and all obligations and liabilities as Administrative Lead for _____ pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

_____
Signature of Elected/Appointed Officer

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____
(Name of individual signing on behalf of Administrative Lead)

or satisfactorily proven to be _____ and
(Name of individual signing on behalf of Administrative Lead)

acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____
Notary Public/Justice of the Peace

My Commission Expires: _____

7-28-16

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Member Entity

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Member Entity)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Member Entity)

2) I hereby certify that _____, as a member of the
(Member Entity)

_____ Integrated Delivery Network
(IDN Name)

hereby authorizes _____ to act on our behalf
(Administrative Lead)

as the Administrative Lead for _____ IDN
(IDN Name)

and further authorizes _____ to enter into
(Administrative Lead)

contracts, receive and distribute funds, and perform all other actions required as the Administrative Lead for _____ IDN
(IDN Name)

pursuant to the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

3) The statements in this authorization are accurate and binding, and remain in full force and effect as of the date of this document.

4) The undersigned entity, as a member of the

_____understands and agrees that the
(IDN Name)

State of New Hampshire will rely on these statements when contracting with the

_____. This grant of authorization to
(Administrative Lead)

_____ shall be binding through the life of
(Administrative Lead)

the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract and shall survive its termination.

_____
Signature of Elected/Appointed Officer

gm 2-8-16

EXHIBIT K

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____ or
(Name of individual signing on behalf of Member Entity)
satisfactorily proven to be _____ and
(Name of individual signing on behalf of Member Entity)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____

Notary Public/Justice of the Peace

My Commission Expires: _____

7-28-16

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, George Maglaras, hereby certify that I am the duly elected/appointed Chairman of Strafford County.

2) I hereby certify that Strafford County is a member of IDN Region 6 – Seacoast & Strafford, a proposed Integrated Delivery Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that Strafford County fully understands its obligations as Administrative Lead for IDN Region 6 – Seacoast & Strafford and assumes full responsibility for any and all obligations and liabilities as Administrative Lead for IDN Region 6 – Seacoast & Strafford pursuant to the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

Signature of Elected/Appointed Officer

State of New Hampshire

County of Strafford

On this 28th day of July, 2016, before the undersigned officer personally appeared the person identified as George Maglaras or satisfactorily proven to be George Maglaras and acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

Notary Public/Justice of the Peace

My Commission Expires: 1/14/20

JEAN L. MICCOLO
MY COMMISSION EXPIRES JAN. 14, 2020
NOTARY PUBLIC
NEW HAMPSHIRE

Exhibit L-1

New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, *which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* any CMS approved revisions or the latter thereof are hereby incorporated by reference into this Contract as Exhibit L-1.

Exhibit L-2

The DHHS Approved IDN Application and Project Plans for the Region 6 IDN are hereby incorporated by reference into this Contract as Exhibit L-2, and any DHHS approved revisions or the latter thereof.

CERTIFICATE OF VOTE

I, ____Leo E. Lessard_____, do hereby certify that:

1. I am a duly elected Officer of ___Strafford County_____.

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Commissioners of the Agency duly held on _July 28, 2016_____:

RESOLVED: That the ____Chairman_____

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the _28th_ day of ___July_____, 2016.

4. __George Maglaras_____ is the duly elected _Chairman_____ of the Agency.

Leo E. Lessard, Clerk

STATE OF __New Hampshire_____

County of __Strafford_____

The forgoing instrument was acknowledged before me this ___28th__ day of _July___, 2016,

By __Leo E. Lessard_____.

(Notary Public/Justice of the Peace)

JEAN L. MICCOLO
MY COMMISSION EXPIRES JAN. 14, 2020
NOTARY PUBLIC
NEW HAMPSHIRE

(NOTARIAL SEAL)

Commission Expires: 1/14/20

Primex³
NH Public Risk Management Exchange

CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only, Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

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 coverage categories listed below.

Participating Member:	*Member Number:*	*Company Affording Coverage:*
Strafford County 259 County Farm Road Dover, NH 03820	605	NH Public Risk Management Exchange - Primex³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624

Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits (All Statutory Limits, Maximum, If Any)	
X **General Liability (Occurrence Form)** **Professional Liability (describe)** ☐ Claims Made ☐ Occurrence	1/1/2016	1/1/2017	Each Occurrence	$ 5,000,000
			General Aggregate	$ 5,000,000
			Fire Damage (Any one fire)	
			Med Exp (Any one person)	
Automobile Liability Deductible Comp and Coll: $1,000 Any auto			Combined Single Limit (Each Accident) Aggregate	
X **Workers' Compensation & Employers' Liability**	1/1/2016	1/1/2017	X Statutory	
			Each Accident	$2,000,000
			Disease – Each Employee	$2,000,000
			Disease – Policy Limit	
Property (Special Risk includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	

Description: Proof of Primex Member coverage only.

CERTIFICATE HOLDER: ☐ Additional Covered Party ☐ Loss Payee	Primex³ – NH Public Risk Management Exchange
	By: *Tammy Denver*
Department of Health & Human Services 129 Pleasant St Concord, NH 03301	Date: 6/13/2016 tdenver@nhprimex.org Please direct inquires to: **Primex³ Claims/Coverage Services** **603-225-2841 phone** **603-228-3833 fax**

7-8-16

STATE AND COUNTY ELECTED OFFICIALS

2015-2016

County Elected Officials

Commissioner George Maglaras, Chairman

Commissioner Robert Watson, Vice Chairman

Commissioner Leo E. Lessard, Clerk

County Treasurer Pamela J. Arnold

259 County Farm Road, Suite 204, Dover, NH 03820, 603-742-1458

County of Strafford, New Hampshire

Independent Auditors' Reports
and
Management's Financial Statements

December 31, 2015

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

7-18-16

COUNTY OF STRAFFORD, NEW HAMPSHIRE

DECEMBER 31, 2015

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Ron L. Beaulieu & Company
CERTIFIED PUBLIC ACCOUNTANTS

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Portland, Maine 04103

Tel: (207) 775-1717
Fax: (207) 775-7103

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
County of Strafford, New Hampshire
Dover, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Strafford, New Hampshire, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 polices 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Strafford, New Hampshire, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3.1 through 3.5 and 30 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ron L. Beaulieu & Co.

Portland, Maine
March 28, 2016

COMMISSIONERS
GEORGE MAGLARAS, *Chairman*
ROBERT J. WATSON, *Vice Chairman*
LEO E. LESSARD, *Clerk*

TREASURER
PAMELA J. ARNOLD

COUNTY ADMINISTRATOR
RAYMOND F. BOWER

STRAFFORD COUNTY COMMISSIONERS

WILLIAM A. GRIMES
Justice & Administration Building
259 County Farm Road, Suite 204
Dover, New Hampshire 03820
Telephone: (603)742-1458
Fax: (603) 743-4407

March 29, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County of Strafford's financial management offers this narrative, overview and analysis of the financial activities of Strafford County for the year ended December 31, 2015. This discussion focuses on the significant financial issues and activities of the County and to identify any significant change in financial position. This information is presented in conjunction with additional information furnished in the County's financial statements.

A. FINANCIAL HIGHLIGHTS – GOVERNMENT WIDE

- The liabilities of the County exceeded its assets at the close of the fiscal year for a total net position of ($17,498,947) which is made up of $8,388,141 in net investment in capital assets and ($25,887,088)in unrestricted net assets. (Page 4)

- The County's total net assets reflect a decrease of $27,714,850 over the prior year made up of $96,061 from County operations and $27,618,789 from net pension liability reported per adoption of GASB 68. The short-term and long-term liabilities continue to decrease as debt is paid off.

B. FINANCIAL HIGHLIGHTS – FUND STATEMENTS

- At the close of the year, the County reported combined ending fund balances of $3,055,801 which is an increase of $892,128 in comparison with the prior year, as restated. (Page 6)

- The County's total short-term debt at the end of the year remains at $0 and the long-term debt decreased by $889,063. (Page 4 and Note-6 on Pages 19 & 20)

C. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: (1) government-wide financial statements which provide both the short and long-term information about the County's financial status. (2) fund financial statements which focus on the activities of

the individual parts of the County's government (3) notes to the financial statements explain in detail some of the data contained in those statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information which further explains and supports the information in the financial statements.

D. ANALYSIS OF NET ASSETS

The following analysis focuses on net assets and changes in net assets. Net assets may serve as one useful indicator of a government's financial condition. Unrestricted net assets can be used to finance operations of the County and reduce the effect of property taxes.

NET ASSETS – Governmental Activities (Page 4)

	2015	2014
Capital assets	$22,770,133	$23,827,389
Other assets	$6,824,104	$6,364,516
Total assets	$29,594,237	$30,191,905
Deferred Outflows	$2,925,244	$0
Long-term liabilities	$14,381,992	$15,121,230
Other liabilities	$4,097,477	$4,810,157
Net pension liability	$27,618,789	$0
Total liabilities	$46,098,258	$19,931,387
Deferred Inflows	$3,920,170	$44,615
Investment in capital assets, net	$8,388,141	$8,706,159
Restricted	-	-
Unrestricted	($25,887,818)	$1,509,744
Total net position	($17,498,947)	$10,215,903

STATEMENT OF ACTVITIES – Governmental Activities (Page 5)

	2015	2014
General revenues:		
Taxes from cities & towns	$29,682,628	$28,931,512
Interest	$1,522	$4,270
Miscellaneous revenues	$1,362,069	$943,434
Total general revenues	$31,046,219	$29,879,216

	2015	2014
Charges for services and operating grants and contributions:		
Administration	$979,345	$958,349
County Attorney	$232,951	$185,033
Child Advocacy Center	$18,955	$29,381
Domestic Violence Prosecution	$106,032	$119,277
Register of Deeds	$962,944	$895,849
Sheriff	$234,097	$271,441
Dispatch	$93,563	$84,493
Human Services	$35,551	$64,166
Cafeteria	$63,202	$58,227
Department of corrections	$6,709,350	$6,010,716
Jail Industry program	$188,873	$146,672
Riverside rest home	$17,628,117	$17,876,160
Total charges for services and operating grants and contributions	$27,252,980	$26,699,764
Contribution revenue	$0	$1,028,900
Total general revenues	$58,299,199	$57,607,880

	2015	2014
Governmental activities:		
Administration	$802,695	$823,320
County Attorney	$1,376,522	$1,306,308
Child advocacy center	$117,584	$118,210
Domestic violence prosecution	$480,716	$526,788
Register of deeds	$602,678	$600,229
Sheriff	$1,884,989	$1,742,872
Dispatch	$973,732	$848,634
Maintenance	$393,655	$431,036
Human services	$10,190,675	$9,939,172
Cafeteria	$118,704	$116,191
Department of corrections	$10,886,723	$10,668,958
Jail industry program	$419,781	$379,640
Insurances	$2,454,242	$2,475,838
Contract and social service agcs.	$287,439	$260,833
Riverside Rest Home	$23,042,091	$22,462,969
Hospice House	$0	$57,352
Other	$1,738,223	$1,796,258
Interest	$997,472	$1,235,283
Total government activities	$56,767,921	$55,789,891

	2015	2014
Change in net position	$1,531,278	$1,817,989
Net position – beginning of year	$10,215,902	$8,397,914
Prior Period Adjustment	($29,246,127)	
Net position – beginning of year (restated) (Note 18 on Page 28)	($19,030,225)	
Net position – end of year	($17,498,947)	$10,215,903

E. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. As of December 31, 2015, the County reported $22,770,133 in capital assets, net of depreciation. These assets include land, buildings and improvements, machinery, equipment and furnishings, and vehicles. (Additional information can be found on Page 4 and Note-4 on Page 18)

Long-term debt. As of December 31, 2015, the County reported $13,928,991 outstanding long-term debt. $13,897,663 represents the amount outstanding from general obligation bonds and the remaining $31,328 represents the amount outstanding for notes payable. (Additional information can be found on Page 4 and Note-6 on Page 20)

F. BUDGETARY COMPARISONS

The following budgetary analysis focuses on the operating budgets of the General Fund operations of the County to include comparisons of the current fiscal year of December 31, 2015 with prior year as well as the subsequent year.

	2016	2015	2014
Anticipated Revenues			
Justice & Administration	$9,874,761	$9,562,976	$8,810,943
Riverside Rest Home	$20,064,951	$19,200,313	$19,377,049
Property Taxes	$30,118,545	$29,682,628	$28,931,512
Total Anticipated Revenues	$60,058,257	$58,445,917	$57,119,504

	2016	2015	2014
Budgeted Expenditures			
Justice & Administration	$35,927,393	$35,832,485	$34,634,854
Riverside Rest Home	$24,130,864	$22,613,432	$22,484,650
Total Budget Expenditures	$60,058,257	$58,445,917	$57,119,504

Property taxes account for 50.1% of expected resources in 2016 compared to 50.8% in 2015 and 50.7% in 2014.

The County Budget for 2016 reflects a tax increase of 1.46% over 2015, where budgeted expenditures increased by 2.75%, and anticipated revenues increased by 4.03%. This increase in expenditures was primarily due to the increase of Medicaid costs for Human Services and increased costs for operating the Hospice House for 12months in 2016 rather than the 6 months in 2015.

As a result of operations during 2015, the General Fund realized a surplus of $2,020,673. Actual expenditures for 2015 were $58,228,510 for the General Fund which is $217,407 underspent or .37% less than budgeted.

Actual General Fund revenues for 2015 were $59,363,660 which is $1,490,743 more than anticipated or 2.58% more than anticipated.

G. REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of Strafford County's finances as of December 31, 2015. Questions about this report can be directed to the Strafford County Finance Department at 259 County Farm Road, Suite 204, Dover, NH 03820.

Strafford County Board of Commissioners

STATEMENT A

COUNTY OF STRAFFORD, NEW HAMPSHIRE
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Governmental Activities
ASSETS	
Cash	$ 1,343,535
Accounts receivable (net)	3,367,124
Due from other governments (net)	1,991,916
Due from inmate trust	5,469
Inventories	82,908
Prepaid expenses	33,152
Capital assets (net)	22,770,133
TOTAL ASSETS	29,594,237
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,825,244
Deferred charge - refinancing bond issuance cost	100,000
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,925,244
LIABILITIES	
Accounts payable	2,218,210
Accrued expenses	403,363
Accrued payroll	354,449
Accrued interest	225,217
Revenue anticipation note	-
Bond anticipation note	-
Lease payable, current portion	125,069
Loans payable, current portion	15,051
Bonds payable, current portion	1,636,047
Lease payable, less current portion	327,932
Loans payable, less current portion	16,277
Bonds payable, less current portion	12,261,616
Accrued compensated absences	896,238
Net pension liability	27,618,789
TOTAL LIABILITIES	46,098,258
DEFERRED INFLOWS OF RESOURCES	
Deferred revenues	792,281
Deferred inflows related to pensions	3,127,889
TOTAL DEFERRED INFLOWS OF RESOURCES	3,920,170
NET POSITION	
Net investment in capital assets	8,388,141
Restricted	-
Unrestricted	(25,887,088)
TOTAL NET POSITION	$(17,498,947)

See accompanying independent auditors' report and management's notes to financial statements.

STATEMENT B

COUNTY OF STRAFFORD, NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Governmental activities:					
Administration	$ 802,695	$ 979,345	$ -	$ -	$ 176,650
County attorney	1,376,522	232,951	-	-	(1,143,571)
Child advocacy center	117,584	-	18,955	-	(98,629)
Domestic violence prosecution	480,716	11,196	94,836	-	(374,684)
Register of deeds	602,678	962,944	-	-	360,266
Sheriff	1,884,989	234,097	-	-	(1,650,892)
Dispatch	973,732	93,563	-	-	(880,169)
Maintenance	393,655	-	-	-	(393,655)
Human services	10,190,675	-	35,551	-	(10,155,124)
Cafeteria	118,704	63,202	-	-	(55,502)
Department of corrections	10,886,723	6,593,685	115,665	-	(4,177,373)
Jail industry program	419,781	188,873	-	-	(230,908)
Insurances	2,454,242	-	-	-	(2,454,242)
Contract and social service agencies	287,439	-	-	-	(287,439)
COM corrections	837,320	-	-	-	(837,320)
Academy	140,946	-	-	-	(140,946)
Transitional housing	204,755	-	-	-	(204,755)
Drug Court	450,184	-	-	-	(450,184)
Hospice	-	-	-	-	-
Riverside rest home	23,042,091	17,628,117	-	-	(5,413,974)
Other	105,018	-	-	-	(105,018)
Interest	997,472	-	-	-	(997,472)
Total governmental activities	56,767,921	26,987,973	265,007	-	(29,514,941)
General revenues:					
Taxes from cities and towns					29,682,628
Interest					1,522
Miscellaneous revenues					1,362,069
Total general revenues					31,046,219
Change in net position					1,531,278
Net position - January 1					10,215,902
Prior Period Adjustment					(29,246,127)
Net position - January 1 - restated					(19,030,225)
Net position - December 31					$ (17,498,947)

See accompanying independent auditors' report and management's notes to financial statements.

STATEMENT C

COUNTY OF STRAFFORD, NEW HAMPSHIRE
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Major	Non-major	
	General	Other Governmental Funds	Total
ASSETS			
Cash	$ 1,315,472	$ 28,063	$ 1,343,535
Accounts receivable (net)	3,367,124	-	3,367,124
Due from other governments (net)	1,991,916	-	1,991,916
Due from other funds	(20,546)	20,546	-
Due from inmate trust	5,469	-	5,469
Inventories	82,908	-	82,908
Prepaid expenses	33,152	-	33,152
TOTAL ASSETS	$ 6,775,495	$ 48,609	$ 6,824,104
LIABILITIES			
Accounts payable	2,218,210	-	2,218,210
Accrued expenses	403,363	-	403,363
Accrued payroll	354,449	-	354,449
Revenue anticipation note	-	-	-
Due to other funds	-	-	-
Bond anticipation note	-	-	-
TOTAL LIABILITIES	2,976,022	-	2,976,022
DEFERRED INFLOW OF RESOURCES			
Deferred revenues	792,281	-	792,281
TOTAL DEFERRED INFLOW OF RESOURCES	792,281	-	792,281
FUND BALANCES			
Nonspendable, reported in:			
General fund	116,060	-	116,060
Restricted, reported in:			
General fund	-	48,609	48,609
Committed, reported in:			
Capital projects funds	-	-	-
Assigned, reported in:			
General fund	204,043	-	204,043
Unassigned, reported in:			
General fund	2,687,089	-	2,687,089
TOTAL FUND BALANCES	3,007,192	48,609	3,055,801
TOTAL LIABILITIES AND FUND BALANCES	$ 6,775,495	$ 48,609	$ 6,824,104

See accompanying independent auditors' report and management's notes to financial statements.

STATEMENT D

COUNTY OF STRAFFORD, NEW HAMPSHIRE
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2015

Fund balances - total governmental funds	$ 3,055,801
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets	22,770,133
Deferred outflows related to pensions	2,825,244
Deferred outflows related to bond refunding	100,000
Accrued interest	(225,217)
Lease payable	(453,001)
Loans payable	(31,328)
Bonds payable	(13,897,663)
Accrued compensated absences	(896,238)
Net pension liability	(27,618,789)
Deferred inflows related to pensions	(3,127,889)
Net position of governmental activities	$(17,498,947)

See accompanying independent auditors' report and management's notes to financial statements.

STATEMENT E

COUNTY OF STRAFFORD, NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	Major	Non-major	
	General	Other Governmental Funds	Total
REVENUES			
Taxes from cities and towns	$ 29,682,628	$ -	$ 29,682,628
Charges for services	26,894,410	93,563	26,987,973
Intergovernmental	229,456	35,551	265,007
Interest earned	1,505	17	1,522
Miscellaneous	1,361,916	153	1,362,069
TOTAL REVENUES	58,169,915	129,284	58,299,199
EXPENDITURES			
Administration	438,031	-	438,031
County attorney	1,408,580	-	1,408,580
Child advocacy center	120,639	-	120,639
Domestic violence prosecution	488,825	-	488,825
Register of deeds	569,798	-	569,798
Sheriff	1,879,768	-	1,879,768
Dispatch	787,159	204,425	991,584
Maintenance	396,232	-	396,232
Human services	10,190,675	-	10,190,675
Cafeteria	120,416	-	120,416
Department of corrections	10,263,258	-	10,263,258
Jail industry program	428,546	-	428,546
Insurances	2,454,242	-	2,454,242
Contract and social service agencies	287,439	-	287,439
Fixed asset acquisition/construction	930,504	-	930,504
COM corrections	872,903	-	872,903
Academy	140,946	-	140,946
Transitional housing program	213,659	-	213,659
Drug court	466,776	-	466,776
Riverside Rest Home	22,883,859	-	22,883,859
Other	69,467	35,551	105,018
Debt service:			
Principal retirement	1,535,000	-	1,535,000
Interest expense	1,065,746	-	1,065,746
Refunding bond issuance	40,150	-	40,150
TOTAL EXPENDITURES	58,052,618	239,976	58,292,594

See accompanying independent auditors' report and management's notes to financial statements.

COUNTY OF STRAFFORD, NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	Major	Non-major	
	General	Other Governmental Funds	Total
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	$ 117,297	$ (110,692)	$ 6,605
OTHER FINANCING SOURCES (USES)			
Refunding bond proceeds	2,200,000	-	2,200,000
Bond proceeds	573,000	-	573,000
Proceeds from capital leases	245,000	-	245,000
Proceeds from loans	27,373	-	27,373
Escrow agent	(2,159,850)	-	(2,159,850)
Operating transfers in	-	-	-
Operating transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	885,523	-	885,523
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	1,002,820	(110,692)	892,128
FUND BALANCE - JANUARY 1 - ORIGINAL	2,482,847	159,300	2,642,147
PRIOR PERIOD ADJUSTMENT	(478,474)	-	(478,474)
FUND BALANCE - JANUARY 1 - REVISED	2,004,373	159,300	2,163,673
FUND BALANCE - DECEMBER 31	$ 3,007,193	$ 48,608	$ 3,055,801

See accompanying independent auditors' report and management's notes to financial statements.

STATEMENT F

COUNTY OF STRAFFORD, NEW HAMPSHIRE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

Net change in fund balances - total governmental funds	$	892,128
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
This is the amount of capital outlays.		930,504
This is the amount of depreciation expense.		(1,987,759)
Expenses for accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		62,226
Expenses for accrued compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(51,278)
Proceeds from capital leases and loans is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.		(272,373)
Payments of capital leases and loans are expenditures in the governmental funds, but are a reduction of long-term liabilities in the statement of net position.		143,564
Proceeds from bonds is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.		(573,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,535,000
Governmental funds report bond discounts as revenues. However, in the statements of activities, the revenues are allocated over the life of the bond.		6,047
Changes in net pension liability and related deferred outflows and inflows do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		846,219
Change in net position of governmental activities.	$	1,531,278

See accompanying independent auditors' report and management's notes to financial statements.

STATEMENT G

COUNTY OF STRAFFORD, NEW HAMPSHIRE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015

	Agency Funds
ASSETS	
Cash	301,337
Investments	-
TOTAL ASSETS	$301,337
LIABILITIES	
Due to specific governments	57,391
Due to specific individuals	243,946
TOTAL LIABILITIES	$301,337

See accompanying independent auditors' report and management's notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Strafford, New Hampshire (the County), conform to accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

Part 1 - Government-Wide Financial Statements

The statement of net position and statement of activities focuses on the primary government of the County of Strafford, New Hampshire as a whole. All governmental funds are included but are presented using the accrual basis of accounting. Fiduciary funds are excluded from these government-wide financial statements.

Measurement Focus and Basis of Accounting

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

Program revenues include charges to taxpayers who purchase, use, or directly benefit from goods, services, or privileges provided by a given program; and operating or capital grants and contributions that are restricted to meeting the operational or capital requirement of a particular program.

Internal Activity

Amounts reported in the governmental funds as "due to other funds" and "due from other funds" have been eliminated in the statement of net position, except amounts due between the governmental and business-type activities. Any amounts that are "due to" or "due from" the fiduciary funds have been included in the statement of net position.

Capitalization of Assets

For government-wide financial statements, fixed assets are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair value on the date of donation. Capital assets over $5,000 are capitalized.

Depreciation

For government-wide financial statements, fixed assets are depreciated over the assets useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	31.5
Improvements	20
Equipment	5-10

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Taxes from Cities and Towns are committed on or around March 15th of each year. Taxes are due on or near December 17th. If the taxes are not paid by a City or Town on or before the due date, the County may petition the superior court.

Part 2 - Fund Financial Statements

Principles Determining Scope of Reporting Entity

The financial statements of the County consist only of the funds and account groups of the County. The County has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the County. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Govemment resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories, as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the revenues derived from specific taxes or other earmarked revenues.

The County has three nonmajor funds.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets received by the County and held in the capacity of a trustee, custodian, or agent.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets, generally within sixty days. Property taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenues and interest income are accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to the general rule include principal and interest on general long-term debt, which is recognized when due.

All trust and agency funds are accounted for using the accrual basis of accounting.

Estimates

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

None of the estimates used in preparing the financial statements are considered significant.

Budget

A. Budget Law and Practice

The County Commissioners submit, in the previous December, an annual budget to the County Delegation in accordance with the New Hampshire Revised Statutes Annotated. In March, the County Delegation adopts an annual budget for the current calendar year. Supplemental budgets are required for unexpected modifications to the estimated revenues and appropriations. Budgets are prepared on the modified accrual basis of accounting. Unencumbered non-special appropriations lapse at year end. Capital projects funds are carried forward each year until the project is completed or when the bond issue proceeds are totally expended.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Budgetary Control

An all inclusive budget is prepared in gross on a line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Within these control levels, the Commissioners may transfer appropriations, otherwise the Executive Committee of the County Delegation must approve the transfer. Several revisions were made to the budget during the year.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Allowances for uncollectible accounts are based on management's assessment of the periodic aging of accounts receivable.

Due From Other Governments

Due from other governments are stated at the amount management expects to collect from balances outstanding at year-end. Allowances for uncollectible accounts are based on management's assessment of the periodic aging of accounts due from other governments.

Investments

It is the County's policy to state investments at market value at the balance sheet date.

Inventories

For the nursing home, inventories are accounted for utilizing the consumption method. Under this method, inventories are recorded as expenditures when used. For government-wide financial statements, inventories are priced at the lower of cost or market on the first-in, first out basis.

For all other governmental funds, inventory is accounted for utilizing the purchase method. Under this method, inventories are recorded as expenditures when purchased. For government-wide financial statements, inventories are priced at the lower of cost or market on the first-in, first out basis.

Prepaid Items

For fund financial statements and government wide financial statements, prepaid items are accounted for utilizing the interperiod allocation method. Under this method, prepaid items are recorded as an asset when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Excess Funds

There is no documented policy on where to hold excess funds.

Interfund Receivables and Payables

Interfund activity is reported as either loans or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between governmental funds are eliminated as part of the reconciliation to the government-wide financial statements.

Fund Balance

For governmental funds, the nonspendable fund balances represent amounts that will never convert to cash or will not convert to cash to affect the current period; the restricted fund balances represent the amounts that are restricted by external governments, contributors, or external laws; the committed fund balances represent self-imposed limitations by the County Commissioners that must be voted on to be established, modified, or rescinded; the assigned fund balances represent intended use of resources such as encumbrances by the Administrator that the Administrator feels is necessary to operate the County; and the unassigned fund balances represent anything that does not fit into the above four classifications. The general fund is the only fund that can report a positive unassigned balance.

If expenditures can be applied to either restricted or unrestricted balances, the government's policy is to apply them to restricted balances. If expenditures can be applied to committed, assigned or unassigned, the government's policy is to apply them first to committed balances, then to assigned balances, and any remainder is to be applied to unassigned balances. The County has not established a policy regarding a minimum fund balance.

Revenues

Tax revenue and other major county revenue sources are susceptible to accrual under the modified accrual basis of accounting. Property tax revenues are collected by the towns and cities in the County in December on an annual calendar year basis. Fees and charges are reported as program revenues for the function that generates them. Grant and contributions are reported as program revenues if their use is restricted to a particular function.

NOTE 2 - CASH AND INVESTMENTS

The total amount of the County's cash, as well as the County's investments, consists of the following at December 31, 2015:

Cash	$ 1,343,535

The total amount of the County's deposits in financial institutions, per the bank statements, at December 31, 2015 was $2,360,093 of which $274,572 was covered by federal depository insurance. The remaining deposits of $2,085,521 were collateralized by a bank.

NOTE 3 - ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable at December 31, 2015 is estimated to be:

General Fund	$ 469,376
Capital Project Fund	-
Other Funds	-
Governmental Activities	$ 469,376

The allowance for uncollectible accounts due from other governments at December 31, 2015 is estimated to be:

General Fund	529,250
Capital Project Fund	-
Other Funds	-
Governmental Activities	$ 529,250

The accounts receivable (net) of $498,427 and due from other governments (net) of $569,816 are not expected to be collected within 1 year.

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets:

GOVERNMENTAL ACTIVITIES

	Balance 01/01/15	Additons	Deletions	Balance 12/31/15
Real estate (non-depreciable):				
Riverside Rest Home	$ 207,983	$ -	$ -	$ 207,983
Real estate (depreciable):				
General government	8,272,012	46,223	-	8,318,235
House of corrections	30,242,614	83,390	-	30,326,004
Riverside Rest Home	7,980,236	35,098	-	8,015,334
Hospice House	1,028,900	-	-	1,028,900
Equipment and vehicles:				
General government	3,871,036	494,723	-	4,365,759
House of corrections	2,068,234	107,660	-	2,175,894
Riverside Rest Home	4,032,296	163,409	-	4,195,705
Total capital assets	57,703,311	930,503	-	58,633,814
Accumulated depreciation	(33,875,922)	(1,987,759)	-	(35,863,681)
Net capital assets	$23,827,389	$ (1,057,256)	$ -	$22,770,133

Depreciation was charged to governmental functions as follows:

Administration	343,415
County attorney	-
Register of deeds	43,981
Sheriff	61,170
Department of corrections	1,093,829
Riverside Rest Home	445,364
	$ 1,987,759

NOTE 5 - SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANs or TANs).

- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANs) or grant anticipation notes (GANs).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the General Fund.

Details related to the short-term debt activity for the fiscal year ended December 31, 2015, is as follows:

Type	Purpose	Rate	Due Date	Balance at 12/31/14	Issued	Retired	Balance at 12/31/15
TAN	Cash flow	1.89%	12/30/2015	-	20,000,000	20,000,000	-
TAN	Cash flow	0.84%	12/30/2015	-	9,680,000	9,680,000	-
				$ -	$29,680,000	$29,680,000	$ -

NOTE 6 - LONG-TERM DEBT

The following is a summary of outstanding long-term debt at December 31, 2015:

$20,000,000 - 2002 Bonds for jail project, due 2023, with annual principal installments of $1,000,000. Interest varies between 3.75% - 5.00%.	8,000,000
$4,200,000 - 2004 General Obligation Bonds, due 2025, with annual principal installments of $210,000. Interest varies between 3.50% - 5.00%.	-
$1,168,110 - 2006 Jail Project bond, due 2016, with annual principal installments of $120,000 to $115,000. Interest varies between 4.00% - 5.00%.	115,000
$4,182,025 - 2009 General Obligation Bonds, due 2029, with annual principal installments of $210,000 to $205,000. Includes a bond premium of $84,663. Interest varies between 3.02% - 5.02%.	3,009,663
$2,200,000 - 2015 General Obligation Refunding Bonds, due 2025, with annual principal installments of $250,000 to $205,000. Interest is 2.25%.	2,200,000
$573,000 - 2015 Capital Projects Bonds, due 2025, with annual principal installments of $55,000 to $64,000. Interest is 3.43%.	573,000
2.80% note payable to bank, secured by vehicles, payable in quarterly installments of $7,915 including interest through November 2015.	-
2.80% note payable to bank, secured by a vehicle, payable in monthly installments of $641 including interest through June 2015.	-
8.50% note payable to bank, secured by equipment, payable in monthly installments of $989 including interest through April 2015.	-
2.89% note payable to bank, secured by vehicle, payable in monthly installments of $519 including interest through March 2017.	7,617
2.89% note payable to bank, secured by vehicle, payable in monthly installments of $795 including interest through July 2018.	23,711
Total long-term debt	13,928,991

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of changes in long-term debt:

	Balance 01/01/15	Additions	Deletions	Balance 12/31/15	Current Portion
2002 Jail project	$ 9,000,000	$ -	$ (1,000,000)	$ 8,000,000	$ 1,000,000
2004 Capital projects	2,310,000	-	(2,310,000)	-	-
2006 Jail project	230,000	-	(115,000)	115,000	115,000
2009 General	3,225,710	-	(216,047)	3,009,663	216,047
2015 General refunding	-	2,200,000	-	2,200,000	250,000
2015 Capital projects	-	573,000	-	573,000	55,000
2012 Impala loan	31,129	-	(31,129)	-	-
2012 Charger loan	3,803	-	(3,803)	-	-
2012 Ozone loan	3,886	-	(3,886)	-	-
2014 Impala loan	13,526	-	(5,909)	7,617	6,082
2015 Dodge loan	-	27,373	(3,662)	23,711	8,969
	$14,818,054	$ 2,800,373	$ (3,689,436)	$ 13,928,991	$ 1,651,098

The annual principal and interest requirements to maturity for bonds and notes payable are as follows:

	Principal	Interest	Total Debt Service
2016	1,651,098	564,501	$ 2,215,599
2017	1,508,813	524,143	2,032,956
2018	1,499,557	463,485	1,963,042
2019	1,496,047	398,109	1,894,156
2020	1,492,047	332,718	1,824,765
2021 - 2025	5,432,235	703,048	6,135,283
2026 - 2030	849,194	70,217	919,411
	$ 13,928,991	$ 3,056,221	$ 16,985,212

NOTE 7 - ACCRUED COMPENSATED ABSENCES

Summarized below are the accrued vacation and holiday leave liabilities at December 31, 2015:

	Balance 01/01/15	Additions	Deletions	Balance 12/31/15	Current Portion
Accrued compensated absences	$ 844,960	$ 51,278	$ -	$ 896,238	$ -
Totals	$ 844,960	$ 51,278	$ -	$ 896,238	$ -

NOTE 8 - CAPITAL LEASES

The County is the lessee of various vehicles and computer equipment under capital leases expiring in 2020. The liabilities under the capital leases are recorded at the present value of the minimum lease payments.

2016	138,751
2017	96,472
2018	96,472
2019	89,363
2020	53,818
	474,876
Less interest	35,912
Present value	$ 438,964

The following is a summary of the changes in Capital Leases for the year ended December 31, 2015:

	Balance 01/01/15	Additions	Deletions	Balance 12/31/15	Current Portion
Capital leases payable	$ 303,176	$ 245,000	$ (94,925)	$ 453,251	$ 125,069
	$ 303,176	$ 245,000	$ (94,925)	$ 453,251	$ 125,069

Amortization of assets held under capital leases is included with depreciation expense.

The following is an analysis of the leased assets included in Capital Assets.

	Balance 01/01/15	Additons	Deletions	Balance 12/31/15
Equipment and vehicles:				
General government	-	-	-	-
House of corrections	468,516	245,000	-	713,516
Riverside Rest Home	-	-	-	-
Total capital assets	468,516	245,000	-	713,516
Less accum. depreciation	168,923	142,703	-	311,626
Net capital assets	$ 299,593	$ 102,297	$ -	$ 401,890

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2015, consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund	Amount
Special revenue	General	$ 20,546
		$ 20,546

Interfund balances represent amounts for pooled cash.

Interfund transfers at December 31, 2015 consisted of the following:

	Transfers In:			
Transfers Out:	General	Capital Projects	Other Governmental Funds	Amount
General	$ -	$ -	$ -	$ -
Capital Projects	-	-	-	-
Other Governmental Funds	-	-	-	-
Total	$ -	$ -	$ -	$ -

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

NOTE 10 - ASSIGNED FUND BALANCE - GENERAL FUND

At December 31, 2015, the general fund assigned fund balances consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund				
Not in spendable form	$ 116,060	$ -	$ -	$ -
Human services affiliate	-	-	-	-
TC donations	-	-	-	597
Deeds	-	-	-	1,917
Register of deeds equipment	-	-	-	5
Donations	-	-	-	956
Sheriff's department	-	-	-	1,578
Cafeteria	-	-	-	43
Confidential	-	-	-	3,873
Drug forfeiture funds	-	-	-	190
Family reception area	-	-	-	2,009
Jail employee appreciation fund	-	-	-	1,344
Jail inmate donations	-	-	-	1,089
SCDTF advisory fund	-	-	-	100
Inmate photos	-	-	-	1,649
Credit card transactions	-	-	-	-
CAC donations	-	-	-	15,715
Wellness program	-	-	-	495
Inmate trust	-	-	-	116
B. Kimball memorial	-	-	-	130
20% inmate fund	-	-	-	37,164
Alms house fire stop	-	-	-	88,500
Alms house sprinkler	-	-	-	46,573
Special Revenue Funds				
JAG	-	20,339	-	-
Capital dispatch	-	28,062	-	-
Employee appreciation	-	208	-	-
Total	$ 116,060	$ 48,609	$ -	$ 204,043

NOTE 11 - EMPLOYEE BENEFIT PLANS

NEW HAMPSHIRE RETIREMENT SYSTEM

A. Plan Description

County employees contribute to the New Hampshire Retirement System (NHRS), a contributory defined benefit public employee pension plan (The Plan) that acts as a common investment and administrator for its participants.

The NHRS provides retirement, annual cost-of-living adjustments, and death and disability benefits to members and beneficiaries. These benefit provisions and all other requirements are established by state statute. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire, 03301-8507.

B. Funding Policy

The contribution requirements of plan members are established and may be amended by the NHRS. This year, Group I members contributed 7.0% and Group II members contributed 11.55% of gross earnings. The State of New Hampshire and the County are required to contribute the remaining amounts necessary to fund the system, using the actuarial basis specified by the statute.

The Plan's fiduciary net position uses the same basis as the plan. The plan uses the accrual basis of accounting, and benefits and refunds are recognized when due and payable. Plan investments are measured at fair value.

Net Pension Liability assumptions:

1) Investment rate of return 7.75% (8.50% was used in prior year measurement)
2) Price inflation 3.00%
3) Salary increases 5.80% (average)
4) Wage inflation 3.75% (4.50% was used in prior year measurement)
5) Mortality source was the RP-2000 mortality table
6) Experience studies were from 2005-2010

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Discount rate assumptions:

1) Rate equals investment rate of return
2) Projected cash flows assume required contributions established by RSA 100-A:16
3) Long-term expected rate of return equals investment rate of return and is applied to all periods
4) Asset allocation is as follows: 30% domestic equity, 20% international equity, 25% fixed income, and 25% alternative investments

Net Pension Liability Sensitivity:

1) Discount rate 1% higher: $20,169,800
2) Discount rate 1% lower: $36,356,546

The proportion of total liability was determined by taking the District's actual contributions divided by the Plan's actual contributions. The proportion increased by 0.01802745% from the prior measurement date of December 31, 2014 to the current measurement date of December 31, 2015. The actuarial valuation date is June 30, 2014.

Pension expense recognized during December 31, 2015 was $1,923,085.

The following is the composition of deferred outflows related to pension:

Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Contributions to Plan Subsequent to Measurement	Total Deferred Outflows Related to Pension
$1,773,121	$621,759	$430,364	$2,825,244

Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Inflows Related to Pension
($606,067)	($2,511,266)	($10,556)	($3,127,889)

$430,364 is the amount of Deferred Outflows that will reduce Net Pension Liability in future periods.

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

The following is a 5 year schedule of changes in Deferred Outflows and Deferred Inflows related to pensions:

	2016	2017	2018	2019	2020
Deferred Outflows and (Inflows)	($393,164)	($393,164)	($393,164)	$445,073	$1,410

NOTE 12 - DEFERRED COMPENSATION PLAN

There is a deferred compensation 457(b) plan sponsored by the County, but as it is administered by nongovernmental third parties and the plan administrators invest plan assets at the direction of the plan's participants, the plan is not reported in the financial statements of the County.

NOTE 13 - POST - RETIREMENT HEALTH CARE BENEFITS

Retirement Benefits

The County's health care plan is a community-based plan, and the plan is administered by Primex, a public entity risk pool in the State currently operating as a common risk management and insurance program. The County provides the post-retirement health care benefits to all employees who retire from the County on or after attaining the age of 65 regardless of length of service; or 55 or over if there is 20 years of service. The premium is paid in full by the retiree. There is no associated cost to the County under this program. Primex issues a publicly available financial report that may be obtained by writing to Primex, 46 Donovan Street, Concord, NH 03301. As of December 31, 2015, there are 43 retirees over the age of 65 and 8 under the age of 65 who participate in this program.

NOTE 14 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County, along with numerous other municipalities in the State, is a member of three public entity risk pools in the State currently operating as a common risk management and insurance program for which all political subdivisions in the State of New Hampshire are eligible to participate. The pools provide coverage for worker's compensation, unemployment and property liability insurance. As a member of the pools, the County shares in contributing to the cost of and receiving benefits from a self-insured pooled risk management program. Contributions paid for the fiscal year totaled $429,488 with no unpaid contributions at year-end. There were no deductible claims for the fiscal year.

NOTE 14 - RISK MANAGEMENT (CONTINUED)

The pool agreement permits the pool to make additional assessments to members should there be deficiency in pool assets to meet its liabilities. At this time, the pool foresees no likelihood of an additional assessment for past years.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

The County participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2015 may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective agents; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 16 - GENERAL FUND SURPLUS

Below is an analysis of general fund surplus after writing off uncollectible receivables and changes in allowance of uncollectible accounts:

General Fund 2015 surplus before bad debt expense:	$ 2,020,673
Bad debt	(1,017,853)
General Fund 2015 surplus after bad debt expense	$ 1,002,820

NOTE 17 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to the beginning Fund Balance necessary to defer a rebate of insurance premium received in 2014. Deferring this rebate will correctly match the rebate with a potential liability to refund this money to the participants in the plan. This adjustment was also made to beginning Net Position.

The County adopted GASB 68 – Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 on January 1, 2015. The adoption of GASB 68 required that the beginning Net Pension Liability and Deferred Outflows be posted to beginning Net Position. This decreased Net Position by $28,767,653 and increased beginning Net Pension Liability by $25,492,397 and increased Deferred Inflows by $3,275,256.

NOTE 17 – PRIOR PERIOD ADJUSTMENT (CONTINUED)

Adopting the new standard also modified the Change in Net Position for the current fiscal year. If this standard had not been adopted Change in Net Position would have been $846,219 lower.

NOTE 18 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of March 28, 2016, the date the financial statements were available to be issued. At that time, there were no material subsequent events.

SCHEDULE A

COUNTY OF STRAFFORD, NEW HAMPSHIRE
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2015

	Proposed Budget	Approved Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes from cities and towns	$ 29,682,628	$ 29,682,628	$ 29,682,628	$ -
Charges for services	26,049,411	26,049,411	26,894,410	844,999
Intergovernmental	223,200	223,200	229,456	6,256
Interest earned	5,000	5,000	1,505	(3,495)
Miscellaneous	1,912,678	1,912,678	2,555,661	642,983
TOTAL REVENUES	57,872,917	57,872,917	59,363,660	1,490,743
EXPENDITURES				
Current:				
Administration	398,321	398,321	438,031	(39,710)
County attorney	1,393,520	1,393,520	1,408,580	(15,060)
Child advocacy center	124,641	124,641	120,639	4,002
Domestic violence prosecution	431,104	431,104	488,825	(57,721)
Register of deeds	593,574	593,574	569,798	23,776
Sheriff	1,637,831	1,637,831	1,879,768	(241,937)
Dispatch	795,375	795,375	787,159	8,216
Maintenance	405,641	405,641	396,232	9,409
Human services	10,728,174	10,728,174	10,190,675	537,499
Cafeteria	95,962	95,962	120,416	(24,454)
Department of corrections	10,093,706	10,093,706	10,263,258	(169,552)
Jail industry program	356,043	356,043	428,546	(72,503)
Insurances	2,757,337	2,757,337	3,588,964	(831,627)
Contract and social service agencies	288,542	288,542	287,439	1,103
Fixed asset acquisition/construction	740,397	1,313,397	930,504	382,893
COM corrections	833,283	833,283	872,903	(39,620)
Academy	322,527	322,527	140,946	181,581
Transitional housing program	168,121	168,121	213,659	(45,538)
Drug court	492,113	492,113	466,776	25,337
Riverside Rest Home	22,439,048	22,439,048	21,925,029	514,019
Other	62,000	62,000	69,467	(7,467)
Debt service:				
Principal retirement	1,508,929	1,508,929	1,535,000	(26,071)
Interest expense	1,206,728	1,206,728	1,065,746	140,982
Refunding bond issuance cost	-	-	40,150	(40,150)
TOTAL EXPENDITURES	57,872,917	58,445,917	58,228,510	217,407
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	(573,000)	1,135,150	1,708,150
OTHER FINANCING SOURCES (USES)				
Refunding bond proceeds	-	-	2,200,000	2,200,000
Bond proceeds	-	573,000	573,000	-
Proceeds from capital leases	-	-	245,000	245,000
Proceeds from loans	-	-	27,373	27,373
Payment to refunded bond escrow agent	-	-	(2,159,850)	(2,159,850)
TOTAL OTHER FINANCING SOURCES (USES)	-	573,000	885,523	312,523
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	$ -	$ -	$ 2,020,673	$ 2,020,673

See accompanying independent auditors' report and management's notes to required supplementary information.

SCHEDULE B

COUNTY OF STRAFFORD, NEW HAMPSHIRE
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
YEAR ENDED DECEMBER 31, 2015

	2015	2014	2013	2012	2011
Proportion of the net pension liability	0.70%	0.0%*	0.0%*	0.0%*	0.0%*
Proportionate share of net pension liability	$ 27,618,789	$ -*	$ -*	-*	-*
Covered-employee payroll	$ 18,025,218	$ -*	$ -*	-*	-*
Porportionate share of the net pension liability as a percentage of covered-employee payroll	153.2%	0.0%*	0.0%*	0.0%*	0.0%*
Plan fiduciary net position as a percentage of the total pension liability	65.47%	0.0%*	0.0%*	0.0%*	0.0%*

	2010	2009	2008	2007	2006
Proportion of the net pension liability	0.0%*	0.0%*	0.0%*	0.0%*	0.0%*
Proportionate share of net pension liability	$ -	$ -*	$ -*	-*	-*
Covered-employee payroll	$ -	$ -*	$ -*	-*	-*
Porportionate share of the net pension liability as a percentage of covered-employee payroll	0.0%*	0.0%*	0.0%*	0.0%*	0.0%*
Plan fiduciary net position as a percentage of the total pension liability	0.0%*	0.0%*	0.0%*	0.0%*	0.0%*

* - Information not available.

See accompanying independent auditors' report and management's notes to required supplementary information.

SCHEDULE C

COUNTY OF STRAFFORD, NEW HAMPSHIRE
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2015

	2015	2014	2013	2012	2011
Actuarially determined contribution	$ 2,769,305	$ -*	$ -*	-*	-*
Contributions in relation to the actuarially determined contribution	(2,769,305)	-*	-*	-*	-*
Contribution deficiency (excess)	$ -	$ -*	$ -*	-*	-*
Covered-employee payroll	$ 18,025,218	$ -*	$ -*	-*	-*
Contributions as a percentage of covered-employee payroll	15.4%	0.0%*	0.0%*	0.0%*	0.0%*

	2010	2009	2008	2007	2006
Actuarially determined contribution	$ -*	$ -*	$ -*	-*	-*
Contributions in relation to the actuarially determined contribution	-*	-*	-*	-*	-*
Contribution deficiency (excess)	$ -*	$ -*	$ -*	-*	-*
Covered-employee payroll	$ -*	$ -*	$ -*	-*	-*
Contributions as a percentage of covered-employee payroll	0.0%*	0.0%*	0.0%*	0.0%*	0.0%*

* - Information not available.

See accompanying independent auditors' report and management's notes to required supplementary information.

COUNTY OF STRAFFORD, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The County is required to have a budget for the General Fund. The County is not required to adopt an annual budget for its special revenue and capital project funds. Budgets for individual special revenue funds are utilized in accordance with the requirements for the grantor agencies.

Basis of Accounting

The modified accrual basis of accounting is used in preparing budgets except when non-cash items are involved. In that case, the non-cash items are omitted from the budget.

NOTE 2 – ACTUAL (BUDGET BASIS) TO GAAP BASIS RECONCILIATION

Revenues:	
Actual amounts (budgetary basis) from the budgetary comparison schedule	$ 59,363,660
Differences - budget to GAAP:	
Employee health insurance withholdings are budgeted as a revenue, but are reductions to insurance expenditures for GAAP.	(1,193,745)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 58,169,915
Expenditures:	
Actual amounts (budgetary basis) from the budgetary comparison schedule	58,228,510
Differences - budget to GAAP:	
Employee health insurance withholdings are budgeted as a revenue, but are reductions to insurance expenditures for GAAP.	(1,193,745)
Bad debts are not budgeted as an expense, but are expenditures for GAAP.	1,017,853
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 58,052,618

NOTE 3 – OVERSPENT APPROPRIATIONS

The following are materially overspent appropriations:

None	$ -

Subject: IDN Administrative Lead (RFP-2016-OCOM-05-BUILD-07)

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 Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name North Country Health Consortium		1.4 Contractor Address 262 Cottage Street, Suite 230 Littleton, NH 03561	
1.5 Contractor Phone Number (603) 259-3700 x223	1.6 Account Number 05-95-47-470010-52010000	1.7 Completion Date June 30, 2021	1.8 Price Limitation $135,000,000
1.9 Contracting Officer for State Agency Eric B. Borrin, Director		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Nancy Frank Executive Director	

1.13 Acknowledgement: State of NH, County of Grafton.

On July 25. 2016, 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]

AMY J. HOLMES - NOTARY PUBLIC - STATE OF NEW HAMPSHIRE - MY COMMISSION EXPIRES MAY 23, 2017

1.13.2 Name and Title of Notary or Justice of the Peace

Amy J Holmes - Notary Public Teamwork Director

1.14 State Agency Signature Date: 7.27.16	1.15 Name and Title of State Agency Signatory Jeffrey Meyers, 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: On: Megan A. York, Attorney 8/5/16

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

Contractor Initials _____
Date 7/22/16

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 $1,000,000per 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.

Contractor Initials NJ
Date 7/22/16

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 [illegible]
Date 7/22/16

Scope of Services

1. Provisions Applicable to All Services

1.1. Language Assistance Services

The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. Future Legislative Action

The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Contract Period

The contract resulting from this RFP will be effective August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

1.4. Administrative Lead Contractual Role

The Contractor is the Administrative Lead for the Integrated Delivery Network (IDN) for Region 7 , described as North Country & Carroll, under the Department of Health and Human Services Delivery System Reform Incentive Payment Program. The Contractor shall understand and assume full responsibility for any and all obligations and liabilities as the Administrative Lead for the Region 7 IDN pursuant to this Contract and in compliance with the Special Terms and Conditions issued by the Centers for Medicare and Medicaid Services (CMS) for the *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1, which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* which are hereby incorporated by reference into this Contract as Exhibit L-1.

As the Administrative Lead, the Contractor shall act on behalf of the members organizations, documented in Exhibit K-1 of this Contract, of the Region 7 IDN, including entering this Contract, and receiving and distributing funds provided through this Contract, and in accordance with the Region 7 IDN's governance and management structure, as outlined in the IDN's approved Project Plan.

1.5. DHHS Approved IDN Application and Project Plans

The DHHS Approved IDN Application and Project Plans for the Region 7 IDN are hereby incorporated by reference into this Agreement as Exhibit L-2, and any DHHS approved revisions or the latter thereof. The Contractor shall provide services under this Agreement and consistent with these IDN-specific documents, in addition to the documents referenced in subsection 1.4 herein.

2. Statement of Work

2.1. Goals and Expectations for IDN

2.1.1. Composition and Region Served

2.1.1.1. The IDN shall be made up of multiple community-based social service organizations, hospitals, county facilities, primary care providers, and behavioral health providers (both mental health and substance use disorder). The Contractor shall ensure that it establishes with and maintains a clear business relationship between the IDN's component providers, including a joint budget and funding distribution plan that specifies the methodology for distributing funding to participating providers within the IDN. The funding distribution plan must comply with all applicable laws and regulations.

2.1.1.2. The IDN shall serve the geographic region designated by DHHS as Region 7.

2.1.1.3. The parties acknowledge and understand that IDN's member organizations are permitted to participate in multiple IDNs and are not limited to participation in the Region 7 IDN.

2.1.2. Partnering

2.1.2.1. The Contractor shall ensure that IDN member organizations partner with each other within the Region 7 IDN to design and implement DHHS and CMS approved projects, specific to New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1,* to build behavioral health (mental health and substance use disorder) capacity, promote integration of primary care and behavioral health, facilitate smooth transitions in care, and prepare for alternative payment models.

2.1.2.2. The Contractor shall ensure that the Region 7 IDN provides the full spectrum of care and related social services that might be needed by an individual with a behavioral health (mental health and/or substance use disorder) condition. At a minimum, the IDN shall include the following provider types as member organizations:

a. Primary care practices and facilities, serving the majority of Medicaid beneficiaries;
b. Substance use disorder (SUD) providers, including recovery providers, serving the majority of Medicaid beneficiaries;
c. Representation from Regional Public Health Networks;
d. One or more Regional Community Mental Health Centers;
e. Peer-based support and/or community health workers from across the full spectrum of care;
f. One or more hospitals;
g. One or more Federally Qualified Health Centers, Community Health Centers or Rural Health Clinics where available within a defined region;
h. Multiple community-based organizations that provide social and support services reflective of the social determinants of health for a variety of populations, such as transportation, housing, employment services,

financial assistance, childcare, veterans services, community supports, legal assistance, etc.

i. County facilities, such as nursing facilities and correctional institutions.

2.1.3. Goals

2.1.3.1. The Region 7 IDN shall build greater behavioral health capacity, improve integration of physical and behavioral health, and improve care transitions for Medicaid beneficiaries. Under this Contract, the achievement of these goals shall be supported by the IDN's ability to earn performance-based fiscal incentive payments for achieving specified process milestones and clinical outcome metric targets. These shall be achieved in compliance with the IDN's DHHS and CMS approved IDN application and Project Plan.

2.1.4. Administrative Functions

2.1.4.1. The Contractor shall fulfill the reporting and project management responsibilities described in its DHHS and CMS approved IDN Application, including at minimum: capturing, integrating and consolidating data from IDN partner organization as part of the periodic reporting to DHHS throughout the Contract Period. This shall include but not be limited to associated process and outcome metrics that must be reported for each calendar year 2017 through 2020 (Demonstration years 2 through 5) on a semi-annual basis for each stated goal or objective of a project undertaken as part of this Agreement. DHHS reserves the right to designate that some or all reporting requirements utilize standardized reporting forms and at minimum, those required by CMS. The Contractor shall utilize all required DHHS and CMS approved standardized reporting forms; any other reporting formats used by the Contractor shall be subject to DHHS approval.

2.1.4.2. The Contractor shall apply financial processes and controls to maintain its financial stability and ability, throughout the Contract Period, to ensure that transparency and accountability in the management and distribution of waiver funding to the IDN's partner organizations is achieved.

2.1.4.3. The Contractor shall ensure that the IDN participates in Alternative Payment Models that are adopted by DHHS with Medicaid Service delivery and Medicaid managed care plans.

2.1.4.4. The Contractor shall ensure that the Contractor and its IDN partner organizations participate in and collaborate with DHHS designees and agents of DHHS that are assigned to perform and fulfill certain roles and responsibilities under New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1*, including but not limited to the: Independent Assessor, Learning Collaborative leader, Demonstration Health Information Technology Taskforce leader, Demonstration Workforce Capacity leader, and Independent Evaluator, upon DHHS request.

3. Staffing

3.1. Minimum Staffing Requirements

3.1.1. The Contractor shall provide adequate numbers of professionally qualified staff to perform all required contracted services. At minimum, this shall include staff to fulfill the contractual responsibilities specified in Exhibit L-2, the IDN's DHHS approved application, and as required in Exhibits L-1.

3.1.2. The Contractor shall guarantee that all personnel providing the services required by the Contract are qualified to perform their assigned tasks and possess the appropriate professional certification and licensing that may be required by state and federal laws, rules and regulations.

3.1.3. DHHS shall be advised of, and approve in writing, any permanent or temporary changes to or deletions from the Contractor's key personnel who directly impact the management and provision of the contracted services described herein. This requirement shall not extend to the key personnel of the IDN's partner organizations unless such individuals also hold a role required of the Administrative Lead as specified in Exhibit L-1.

4. Compliance

4.1. Delegation and Subcontractors

4.1.1. The Contractor shall identify, and provide advance notice to DHHS, of any and all subcontractors to be utilized in fulfillment of its contractual responsibilities. DHHS reserves the right to accept or reject the use of any subcontractor.

4.2. Compliance with Federal Regulations

4.2.1. The Contractor shall ensure that the delivery of services shall be completed in compliance with the following Federal regulations:

4.2.1.1. Medicaid -42 U.S.C. §1396 et seq (Title XIX Social Security Act);

4.2.1.2. Managed Care Reporting-42 U.S.C. §438 et seq;

4.2.1.3. Transparency-42 C.F.R. 431.412;

4.2.1.4. American with Disabilities Act of 1990;

4.2.1.5. Title VI of the Civil Rights Act of 1964;

4.2.1.6. Section 504 of the Rehabilitation Act of 1973; and

4.2.1.7. Age Discrimination Act of 1975.

Exhibit B

Method and Conditions Precedent to Payment

1. The Contractor understands and agrees that no minimum or maximum payment to the Contractor is guaranteed by this Agreement. The Contractor understands and agrees that all payments under this Agreement are contingent upon the criteria set forth in Section 4 Payment and Funding Allocation of this Exhibit B. The Contractor understands and agrees that the Price Limitation identified in Block 1.8 of the General Provisions (P-37) represents the combined maximum possible payment for all Contractors for the duration of the Agreement. The Contractor understands and agrees that in no event shall the total amount of payments to all Contractors under *New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1* exceed the Price Limitation identified in Block 1.8 of the General Provisions (P-37).

   1.1. The Contractor, acting on behalf of the Integrated Delivery Network (IDN) serving Region 7, described as North Country & Carroll, shall be recognized by the Department of Health and Human Services (DHHS) as the Administrative Lead of this IDN. Payments to the Contractor are in the Contractor's official capacity as Administrative Lead for this IDN.

      1.1.1. Payments to the Contractor are in support of the approved IDN activities and projects authorized under this Agreement during the Contract Period. The Contractor shall distribute such payments to the Region 7 IDN's member organizations in accordance with its governance documents.

   1.2. The Contractor shall ensure that the Contractor and member organizations in the Region 7 IDN complete and execute an applicable Certificate of Authorization, as specified in Exhibit K.

      1.2.1. The Contractor shall provide to DHHS a notarized original of such Certificates executed by the Contractor upon the Contractor's execution of this Agreement. All such Certificates shall be contained in Exhibit K-1.

      1.2.2. Within ten (10) calendar days of a member organization joining the Region 7 IDN, the Contractor shall provide to DHHS a notarized original of the applicable Certificate, referenced in 1.2. above, that has been executed by a duly authorized representative of the member organization. Additionally, the Contractor shall provide to DHHS a notarized original of a Certificate of Vote/Authorization, issued by the member organization's leadership body that conferred such authorization.

      1.2.3. Should any member organization cease participation in the IDN during the Contract Period, the Contractor shall provide the Department a notarized copy of the withdrawal document developed by the Contractor and the organization within ten (10) calendar days of withdrawal of participation in the IDN, and the Contractor shall certify that the Contractor is acting in accordance with the plan specified in Exhibit L-2 for such withdrawals.

      1.2.4. The Contractor shall not disburse any funds from this contract to a member organization of the Region 7 IDN until such time as the applicable Certificates referenced in 1.2.2. above are executed and provided to DHHS.

Exhibit B

2. Contract period: August 24, 2016, or upon Governor and Executive Council approval, whichever is later, through June 30, 2021.

3. The Contractor understands and agrees that payments made under this Agreement are for the Contractor's fulfillment of the duties and responsibilities specified in this Agreement.

4. **Payment and Funding Allocation**:

   Payments made under this Agreement shall be determined by DHHS in accordance with the payment methodology stated in Exhibit L-1, New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, Attachment D, DSRIP Program Funding and Mechanics Protocol, any revisions thereof, or the latest version as approved by the Centers for Medicare and Medicaid Services (CMS). DHHS determinations shall not be negotiable by the Contractor.

   4.1. Payment Schedule

   4.1.1. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, DHHS shall make a payment to the Contractor on behalf of the approved Region 7 IDN. This payment shall be in the amount of $1,392,857.

   4.1.2. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *i.*, based on the Region 7 IDN's share of attributed Medicaid beneficiaries, DHHS shall make payment of $1,019,758 to the Contractor. The attribution of Medicaid beneficiaries for this payment purpose shall be set by DHHS and shall not be negotiable by the Contractor.

   4.1.3. The payments specified in Subsections 4.1.1. and 4.1.2. above shall be used by the Contractor for costs incurred, on or after June 30, 2016 – the date DHHS approved the Region 7 IDN Application, and such costs are incurred by the Contractor to achieve metrics associated with the projects in the IDN's approved Project Plan or to sustain the metrics achieved through the Region 7 IDN's approved Project Plan and for otherwise allowable uses of incentive funds as described by DHHS in the Integrated Delivery Network (IDN) Application.

   4.1.4. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. a) *ii.*, based on the Region 7 IDN's share of attributed Medicaid beneficiaries, DHHS shall allocate and make payment to the Contractor of a proportional share of the IDN Transformation Fund, upon the IDN's successful submission and DHHS approval of the IDN's Project Plan. The attribution of Medicaid beneficiaries for this purpose shall be set by DHHS and considered final for the remainder of the contract period; the attribution shall not be negotiable by the Contractor.

   4.1.5. As referenced in Exhibit L-1, Attachment D, DSRIP Program Funding and Mechanics Protocol, subsection V. b)., for calendar years 2017 through 2020, DHHS shall allocate the maximum amount of incentive funding annually available to be earned by the Region 7 IDN. Payment is conditional upon the Contractor's compliance with the Semi-Annual Reporting for IDN Project Achievement requirements specified in Exhibit L-1, or the latest CMS approved version thereof. DHHS shall make semi-annual incentive payments to the Contractor in accordance with the incentive payment methodology specified in Exhibit L-1, or

the latest CMS approved version thereof. Payment of the maximum amount of funding available is not guaranteed.

4.1.6. Funds paid to the IDNs are a combination of Federal Funds and previously appropriated State General Funds, drawn down by the State in accordance with the Special Terms and Conditions and all of the applicable protocols approved by CMS of New Hampshire's *Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver #11-W-00301/1.* The Department has been authorized to date to accept and expend $44.7 million through June 30, 2017. The Department's authority to disburse additional waiver funds above this amount is contingent upon receipt of further legislative approval.

5. The services described in Exhibit A, Scope of Services, are funded with 50% General funds, and 50% Federal funds made available under:

CFDA #:	93.778
Federal Agency:	U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services
Program Title:	Medical Assistance Programs
FAIN:	TBD

6. Reporting

6.1. Upon DHHS and CMS approval of the Region 7 IDN's final IDN Project Plans, the Contractor shall submit quarterly expenditure reports within thirty (30) calendar days of each calendar year quarter for the remaining contract period. These reports shall identify variances in actual expenditures versus the final IDN Project Plan; the Contractor shall include written explanations for all such variances.

6.2. Contractor inquiries regarding allocations and payments made by DHHS to the Contractor shall be directed by the Contractor to the DHHS designee:

Athena Gagnon, Senior Medicaid Financial Manager
NH Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
Email: agagnon@dhhs.state.nh.us

7. Notwithstanding anything to the contrary herein, the Contractor agrees that payments under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been 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 Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

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

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

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

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

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

16. **Equal Employment Opportunity Plan (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 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.

      4.1 The Department shall not make payment to the Contractor until federal waiver funds sufficient for such payment are made available to the Department through the federal claiming process under the terms and conditions of New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1.

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

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

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

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

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

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

3. Subparagraph 6. Retroactive Payments, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with:

   6. **Reserved**.

4. Subparagraph 7. Conditions of Purchase, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   7. **Reserved**.

5. Subparagraph 12. Completion of Services, of Exhibit C, Special Provisions, of this Contract is replaced in its entirety with the following:

   12. **Completion of Services:** Disallowance of Costs: Upon the Department's fulfillment of the payments required in subparagraph 4.1 Payment Schedule of Exhibit B of this Contract, 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 continue until the end of the term of this Contract, provided however, that if, upon review of the Final Expenditure Report the Department disallows any expenses claimed by the Contractor as costs that are not allowable under the New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, 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.

6. **Agreement Elements:**

   6.1 The Agreement between the parties shall consist of the following, in descending order of precedence:

   6.1.1 General Provisions (P-37);
   6.1.2 Exhibit A Scope of Services;
   6.1.3 Exhibit B Methods and Conditions Precedent to Payment;
   6.1.4 Exhibit C Special Provisions;
   6.1.5 Exhibit C-1 Revisions to Special Provisions;
   6.1.6 Exhibit D Certification Regarding Drug-Free Workplace Requirements;
   6.1.7 Exhibit E Certification Regarding Lobbying;
   6.1.8 Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters;
   6.1.9 Exhibit G Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections;
   6.1.10 Exhibit H Certification Regarding Environmental Tobacco Smoke;
   6.1.11 Exhibit I Health Insurance Portability Act Business Associate Agreement;
   6.1.11 Exhibit J Certification Regarding the Federal Funding Accountability and Transparency Act (FFATA) Compliance;
   6.1.12 Exhibit K and K-1 IDN Administrative Lead and Member Entity Certificates of Authorization;
   6.1.13 Exhibit L-1 through L-2 New Hampshire Building Capacity for Transformation Section 1115(a) Medicaid Research and Demonstration Waiver, #11-W-00301/1 Documents and IDN Application, revisions thereof, or the later DHHS and CMS approved version thereof, including Attachments, incorporated by reference; and
   6.1.14 RFP-2016-OCOM-05-BUILD

   6.2 In the event of any conflict or contradiction between or among the Agreement documents, the document higher in the order of precedence shall control.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

Contractor Name:

7/22/16
Date

Name: Nancy Frankter
Title: Executive Director

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:

7/22/10
Date

Name: Nathan Frank
Title: Executive Director

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 (I)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

7/22/16
Date

Name: Nancy Frank
Title: Executive Director

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.

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:

7/22/16
Date

Name: Nancy Frank
Title: Executive Director

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:

7/22/16
Date

Name: Nadia Frank
Title: Executive Director

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH
Act.

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

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

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

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

(3) Obligations and Activities of Business Associate.

a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- The extent to which the risk to the protected health information has been mitigated.

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

c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.

d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

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

f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

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

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

The State	Name of the Contractor
Signature of Authorized Representative	Signature of Authorized Representative
Jeffrey Meyers	Nancy Frank
Name of Authorized Representative	Name of Authorized Representative
Commissioner	Executive Director
Title of Authorized Representative	Title of Authorized Representative
7.27.16	7/22/16
Date	Date

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

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

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

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

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

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

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

Contractor Name:

7/22/16
Date

Name: Nancy Frank
Title: Executive Director

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: 01 771-1199-0000

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

   ___X___ NO _____ YES

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

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

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

   _____ NO _____ YES

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

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

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

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that _____ is a member of
(Administrative Lead)

_____, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that _____ fully understands its obligations as
(Administrative Lead)

Administrative Lead for _____ and
(IDN Name)

assumes full responsibility for any and all obligations and liabilities as Administrative Lead for _____ pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

_____
Signature of Elected/Appointed Officer

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____
(Name of individual signing on behalf of Administrative Lead)

or satisfactorily proven to be _____ and
(Name of individual signing on behalf of Administrative Lead)

acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____
Notary Public/Justice of the Peace

My Commission Expires: _____

7/22/16

EXHIBIT K

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Member Entity

1) I, _____, hereby certify that I am the
(Name of individual signing on behalf of Member Entity)

duly elected/appointed _____ of _____.
(Title/Position of individual) (Member Entity)

2) I hereby certify that _____, as a member of the
(Member Entity)

_____ Integrated Delivery Network
(IDN Name)

hereby authorizes _____ to act on our behalf
(Administrative Lead)

as the Administrative Lead for _____ IDN
(IDN Name)

and further authorizes _____ to enter into
(Administrative Lead)

contracts, receive and distribute funds, and perform all other actions required as the Administrative Lead for _____ IDN
(IDN Name)

pursuant to the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

3) The statements in this authorization are accurate and binding, and remain in full force and effect as of the date of this document.

4) The undersigned entity, as a member of the

_____understands and agrees that the
(IDN Name)

State of New Hampshire will rely on these statements when contracting with the

_____. This grant of authorization to
(Administrative Lead)

_____ shall be binding through the life of
(Administrative Lead)

the Building Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract and shall survive its termination.

_____
Signature of Elected/Appointed Officer

77
7/22/16

EXHIBIT K

State of _____

County of _____

On this ____ day of _____, 2016, before the undersigned officer personally appeared the person identified as _____ or
(Name of individual signing on behalf of Member Entity)
satisfactorily proven to be _____ and
(Name of individual signing on behalf of Member Entity)
acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

_____

Notary Public/Justice of the Peace

My Commission Expires: _____

7/22/16

CERTIFICATE OF AUTHORIZATION

Integrated Delivery Network: Administrative Lead

1) I, Nancy Frank, hereby certify that I am the
(Name of individual signing on behalf of Administrative Lead)

duly elected/appointed Executive Director of North Country Health Consortium.
(Title/Position of individual) (Administrative Lead)

2) I hereby certify that North Country Health Consortium is a member of
(Administrative Lead)
Integrated Delivery Network for Region 7, a proposed Integrated Delivery
(IDN Name)

Network under the State of New Hampshire Department of Health and Human Services Delivery System Reform Incentive Program.

3) I hereby certify that North Country Health Consortium fully understands its obligations as
(Administrative Lead)

Administrative Lead for Integrated Delivery Network for Region 7 and
(IDN Name)

assumes full responsibility for any and all obligations and liabilities as Administrative Lead for Integrated Delivery Network for Region 7 pursuant to the Building
(IDN Name)

Capacity for Transformation Section 1115(2) Medicaid Waiver, #11-W-00301/1 Integrated Delivery Network Administrative Lead contract.

Signature of Elected/Appointed Officer

State of New Hampshire

County of Grafton

On this 12th day of July, 2016, before the undersigned officer personally appeared the person identified as Nancy Frank
(Name of individual signing on behalf of Administrative Lead)

or satisfactorily proven to be _____ and
(Name of individual signing on behalf of Administrative Lead)

acknowledged that s/he executed the foregoing instrument in the capacity indicated above.

Notary Public/Justice of the Peace

My Commission Expires: May 23, 2017

AMY L. HOLMES
NOTARY PUBLIC
STATE OF NEW HAMPSHIRE
MY COMMISSION EXPIRES MAY 23, 2017

Exhibit L-1

New Hampshire's Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1, *which includes but is not limited to Attachment C, the DSRIP Planning Protocol and Attachment D, the DSRIP Funding & Mechanics Protocol,* any CMS approved revisions or the latter thereof are hereby incorporated by reference into this Contract as Exhibit L-1.

Exhibit L-2

The DHHS Approved IDN Application and Project Plans for the Region 7 IDN are hereby incorporated by reference into this Contract as Exhibit L-2, and any DHHS approved revisions or the latter thereof.

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 NORTH COUNTRY HEALTH CONSORTIUM is a New Hampshire nonprofit corporation formed October 5, 1998. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.

In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 18th day of April A.D. 2016

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Edward Shanshala, of North Country Health Consortium, do hereby certify that:

1. I am the duly elected President of North Country Health Consortium;

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the North Country Health Consortium, in Minutes dated April 8, 2016;

   RESOLVED: *Be it resolved that North Country Health Consortium enters into contracts with the State of New Hampshire, acting through its Department of Health and Human Services.*

   RESOLVED: *Be it resolved that the Executive Director and/or Board President is hereby authorized on behalf of this corporation to enter into said contracts with the State and to execute any and all documents, agreements, and other instruments; and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable, or appropriate. Nancy Frank is the Executive Director of the corporation.*

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of July 26, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand as the President of the North Country Health Consortium this 26th day of July, 2016.

Edward Shanshala, President

STATE OF NEW HAMPSHIRE
COUNTY OF GRAFTON

The foregoing instrument was acknowledged before me this 26th day of July, 2016 by Edward Shanshala.

Notary Public/Justice of the Peace
My Commission Expires:

CAROL A. HEMENWAY, Notary Public
My Commission Expires October 21, 2020

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 5/18/2016

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

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

PRODUCER	CONTACT NAME: Patricia Emery
Geo M Stevens & Son Co 149 Main Street Lancaster NH 03584	PHONE (A/C, No, Ext): (603) 788-2555 FAX (A/C, No): (603) 788-3901 E-MAIL ADDRESS: pemery@gms-ins.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A: Acadia Insurance Company — 31325
INSURED	INSURER B:
North Country Health Consortium Inc 262 Cottage Street, Suite 230 Littleton NH 03561	INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** CL162307176 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC OTHER:			CPA 0238922 18	1/1/2016	1/1/2017	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 250,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			CAA0238923-18	1/1/2016	1/1/2017	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Uninsured motorist property	$ 1,000,000 $ $ $ $ 25,000
A	X UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $			CUA 5178194-12	1/1/2016	1/1/2017	EACH OCCURRENCE AGGREGATE	$ 1,000,000 $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: Y If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WCA0277380-17	1/1/2016	1/1/2017	[ ] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 100,000 $ 100,000 $ 500,000

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

Health Consortium

NH Worker's Compensation--Excluded officers are Nancy Bishop, Charles Cotton & Edward Shanshala II

This certificate of insurance 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, terms, exclusions, and conditions afforded by the policy or policies referenced herein.

CERTIFICATE HOLDER

State of NH, DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

Patricia Emery/PBE

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NORTH COUNTRY
HEALTH CONSORTIUM

North Country Health Consortium Mission Statement:

"To lead innovative collaboration to improve the health status of the region."

The North Country Health Consortium (NCHC) is a non-profit 501(c)3 rural health network, created in 1997, as a vehicle for addressing common issues through collaboration among health and human service providers serving Northern New Hampshire.

NCHC is engaged in activities for:

- Solving common problems and facilitating regional solutions
- Creating and facilitating services and programs to improve population health status
- Health professional training, continuing education and management services to encourage sustainability of the health care infrastructure
- Increasing capacity for local public health essential services
- Increasing access to health care for underserved and uninsured residents of Northern New Hampshire.

262 Cottage Street, Suite 230, Littleton, NH 03561
Phone: 603-259-3700; Fax: 603-444-0945
www.nchcnh.org • nchc@nchcnh.org

A.M. PEISCH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
North Country Health Consortium, Inc. and Subsidiary
Littleton, New Hampshire

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of North Country Health Consortium, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of September 30, 2015 and 2014, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

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

401 Water Tower Circle
Suite 302
Colchester, VT 05446
(802) 654-7255

27 Center Street
P. O. Box 326
Rutland, VT 05702
(802) 773-2721

181 North Main Street
St. Albans, VT 05478
(802) 527-0505

1020 Memorial Drive
St. Johnsbury, VT 05819
(802) 748-5654

57 Farmvu Drive
White River Jct., VT 05001
(802) 295-9349

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of North Country Health Consortium, Inc. and Subsidiary as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2016 on our consideration of North Country Health Consortium, Inc. and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 North Country Health Consortium, Inc. and Subsidiary's internal control over financial reporting and compliance.

A. M. Reisch and Company, LLP

St. Johnsbury, Vermont
February 12, 2016
VT Reg. No. 92-0000102

NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	$ 912,270	$ 835,671
Accounts receivable, net:		
Grants and contracts	188,257	155,441
Dental services	4,016	749
Certificates of deposit	124,509	87,420
Prepaid expenses	21,676	12,245
Restricted cash - ACO	76,701	199,144
Total Current Assets	1,327,429	1,290,670
Property and Equipment:		
Computers and equipment	72,057	61,777
Dental equipment	71,332	64,638
Furnitures and fixtures	32,257	32,257
Vehicles	18,677	18,677
Accumulated depreciation	(141,048)	(123,965)
Property and equipment, net	53,275	53,384
Total Assets	$ 1,380,704	$ 1,344,054
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 25,646	$ 19,061
Accrued expenses	11,643	26,886
Accrued wages and related liabilities	71,980	71,098
Deferred revenue	212,362	232,862
Deferred revenue - ACO	74,810	199,144
Total Current Liabilities	396,441	549,051
Total Liabilities	396,441	549,051
NET ASSETS		
Unrestricted	984,263	795,003
Total Net Assets	984,263	795,003
Total Liabilities and Net Assets	$ 1,380,704	$ 1,344,054

See accompanying notes.

NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Support:		
Grant and contract revenue	$ 1,620,106	$ 1,604,842
Revenue:		
Dental patient revenue	136,687	104,353
Fees for programs and services	232,483	224,760
Interest income	2,683	15,662
Other income	1,164	7,360
Gain (loss) on sale of property and equipment	-	(1,500)
Donated services	9,113	-
Donated assets	-	9,000
Total Revenue	382,130	359,635
Total Support and Revenue	2,002,236	1,964,477
Program Expenses:		
Workforce	519,117	311,601
Public health	164,287	171,118
Molar	412,339	508,603
CSAP	429,079	456,306
North Country ACO	111,534	154,431
Total Program Expenses	1,636,356	1,602,059
Management and General	176,620	210,376
Total Expenses	1,812,976	1,812,435
Change in net assets	189,260	152,042
NET ASSETS, beginning of the year	795,003	642,961
NET ASSETS, end of year	$ 984,263	$ 795,003

See accompanying notes.

NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Workforce	Public Health	Molar	CSAP	North Country ACO	Total Program	Management & General	Total
Personnel:								
Salaries	$ 247,263	$ 70,370	$ 216,451	$ 170,561	$ 56,894	$ 761,539	$ 72,486	$ 834,025
Payroll taxes and employee benefits	42,099	11,979	39,915	31,616	10,651	136,260	18,610	154,870
Subtotal	289,362	82,349	256,366	202,177	67,545	897,799	91,096	988,895
Site Expenses:								
Computer supplies	11,553	1,498	6,721	4,253	1,412	25,437	2,131	27,568
Medical and pharmacy supplies	113,154	62,978	93,404	117,137	30	386,703	5,118	391,821
Office supplies	7,583	3,837	2,269	11,094	340	25,123	3,986	29,109
Subtotal	132,290	68,313	102,394	132,484	1,782	437,263	11,235	448,498
General:								
Bad debts	-	-	4,551	-	-	4,551	-	4,551
Depreciation	-	-	7,985	-	-	7,985	9,099	17,084
Dues and memberships	1,644	-	250	350	102	2,346	6,890	9,236
Education and training	339	9	65	14,161	3	14,577	7,073	21,650
Equipment and maintenance	3,996	130	881	-	-	5,007	222	5,229
Rent and occupancy	17,328	4,827	16,048	13,012	4,125	55,340	6,962	62,302
Insurance	1,275	822	1,770	935	268	5,070	3,748	8,818
Miscellaneous	10,282	-	311	350	-	10,943	757	11,700
Data collection contract	-	-	-	-	21,953	21,953	-	21,953
Payroll processing fees	-	-	-	25	-	25	3,618	3,643
Postage	443	130	633	370	153	1,729	529	2,258
Printing	3,900	1,229	2,396	1,275	333	9,133	1,257	10,390
Professional fees	4,972	1,486	7,783	4,639	13,260	32,140	21,409	53,549
Training fees and supplies	38,214	1,885	41	43,507	1	83,648	3,539	87,187
Travel	14,208	2,071	5,046	14,293	1,842	37,460	7,857	45,317
Telephone	864	1,036	2,003	1,501	167	5,571	1,329	6,900
Vehicle expense	-	-	3,816	-	-	3,816	-	3,816
Subtotal	97,465	13,625	53,579	94,418	42,207	301,294	74,289	375,583
Total expenses	$ 519,117	$ 164,287	$ 412,339	$ 429,079	$ 111,534	$ 1,636,356	$ 176,620	$ 1,812,976

See accompanying notes.

NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Workforce	Public Health	Molar	CSAP	North Country ACO	Total Program	Management & General	Total
Personnel:								
Salaries	$ 166,830	$ 63,238	$ 221,184	$ 166,227	$ 84,411	$ 701,890	107,165	$ 809,055
Payroll taxes and employee benefits	30,591	14,514	44,790	33,293	19,134	142,322	21,238	163,560
Subtotal	197,421	77,752	265,974	199,520	103,545	844,212	128,403	972,615
Site Expenses:								
Computer supplies	3,572	1,917	7,304	4,185	2,642	19,620	3,131	22,751
Medical and pharmacy supplies	54,814	69,406	182,257	104,667	82	411,226	552	411,778
Office supplies	12,033	5,605	5,751	20,072	1,285	44,746	4,452	49,198
Subtotal	70,419	76,928	195,312	128,924	4,009	475,592	8,135	483,727
General:								
Bad debt (recovery)	-	-	(3,365)	-	-	(3,365)	(1,695)	(5,060)
Depreciation	-	-	4,650	-	-	4,650	11,615	16,265
Dues and memberships	310	-	235	-	23	568	6,860	7,428
Education and training	3,658	105	2,731	1,481	1,485	9,460	5,654	15,114
Dental Equipment	-	-	1,199	-	-	1,199	1,192	2,391
Equipment	-	-	670	50	-	720	195	915
Rent, housing, and occupancy	9,356	3,945	13,237	9,535	4,695	40,768	18,904	59,672
Insurance	581	760	1,291	698	405	3,735	3,936	7,671
Miscellaneous	8,978	-	2,439	6,960	26,662	45,039	1,085	46,124
Data collection contract	-	-	-	-	-	-	-	-
Payroll processing fees	-	-	-	-	-	-	3,788	3,788
Postage	374	207	812	441	302	2,136	486	2,622
Printing	1,392	771	3,609	1,062	663	7,497	1,188	8,685
Professional fees	3,504	2,051	5,560	5,598	4,039	20,752	12,895	33,647
Training fees and supplies	6,438	290	752	79,769	-	87,249	3,079	90,328
Travel	8,594	7,243	6,325	20,871	8,222	51,255	4,125	55,380
Telephone	576	1,066	2,929	1,397	381	6,349	531	6,880
Vehicle expense	-	-	4,243	-	-	4,243	-	4,243
Subtotal	43,761	16,438	47,317	127,862	46,877	282,255	73,838	356,093
Total expenses	$ 311,601	$ 171,118	$ 508,603	$ 456,306	$ 154,431	$ 1,602,059	$ 210,376	$ 1,812,435

See accompanying notes.

NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 189,260	$ 152,042
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,084	16,265
Bad debt expense (recovery)	4,551	(5,060)
(Gain)/loss on sale of property and equipment	-	1,500
(Increase) decrease in operating assets:		
Accounts receivable - Grants and contracts	(32,816)	10,906
Accounts receivable - Dental services	(7,818)	7,137
Prepaid expenses	(9,431)	(4,253)
Restricted cash - ACO	122,443	55,640
Increase (decrease) in operating liabilities:		
Accounts payable	6,585	(24,187)
Accrued expenses	(15,243)	23,540
Accrued wages	882	15,989
Cash in trust - ACO	-	(120,931)
Deferred revenue	(20,500)	33,245
Deferred revenue - ACO	(124,334)	65,291
Net cash provided by operating activities	130,663	227,124
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit	(61,497)	(26,391)
Maturities of certificates of deposit	24,408	24,307
Purchases of property and equipment	(16,975)	(26,235)
Proceeds from sale of property and equipment	-	1,281
Net cash used by investing activities	(54,064)	(27,038)
Net increase in cash and cash equivalents	76,599	200,086
Beginning cash and cash equivalents	835,671	635,585
Ending cash and cash equivalents	$ 912,270	$ 835,671

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities

North Country Health Consortium, Inc. and Subsidiary (NCHC) (the Organization) is a not-for-profit health center chartered under the laws of the State of New Hampshire. The Organization's mission is to lead innovative collaboration to improve the health status of the region. NCHC is engaged in promoting and facilitating access to services and programs that improve the health status of the area population, provide health training and educational opportunities for healthcare purposes, and provide region-wide dental services for an underserved and uninsured residents.

The Organization's wholly owned subsidiary, North Country ACO (the ACO) is a non-profit 501(c)(3) charitable corporation formed in December 2011. This entity was formed as an accountable care organization (ACO) with its purpose to support the programs and activities of the ACO participants to improve the overall health of their respective populations and communities. North Country ACO members participate in the Medicare Shared Savings Program to pay for services to Medicare beneficiaries. North Country ACO performs administration and manages the distribution of funds to participants using a patient based model. Medicare payments ceased as of June 30, 2014, and the Board elected to redirect the remaining funds to support the core operations of the ACO through December 31, 2015. After this date, the Entity will be inactive.

The Organization's primary programs are as follows:

Network and Workforce Activities – To provide workforce education programs and promote oral health initiatives for the Organization's dental services.

Public Health and CSAP – To conduct community substance abuse prevention activities, coordination of public health networks, and promote community emergency response plan.

Dental Services and Molar – To sustain a program offering oral health services for children and low income adults in Northern New Hampshire.

Following is a summary of the significant accounting policies used in the preparation of these consolidated financial statements.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of North Country Health Consortium, Inc. and its wholly owned subsidiary, North Country ACO. All significant inter-company transactions and balances have been eliminated in consolidation.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Use of estimates

In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of risk

The Organization's operations are affected by various risk factors, including credit risk and risk from geographic concentration and concentrations of funding sources. Management attempts to manage risk by obtaining and maintaining revenue funding from a variety of sources. A substantial portion of the Organization's activities are funded through grants and contracts with private and federal and state agencies. As a result, the Organization may be vulnerable to the consequences of change in the availability of funding sources and economic policies at the agency level. The Organization generally does not require collateral to secure its receivables.

Revenue recognition

Below are the revenue recognition policies of the Organization:

Dental Patient Revenue
Dental services are recorded as revenue within the fiscal year related to the service period.

Grant and Contract Revenue
Grants and contracts are recorded as revenue in the period they are earned by satisfaction of grant or contract requirements.

Fees for Programs and Services
Fees for programs and services are recorded as revenue in the period the related services were performed.

Agency transactions

North Country ACO receives funding from Medicare that is collected and subsequently disbursed to member health centers. There were no such transactions for the year ended September 30, 2015.

For the first nine months of the year ended September 30, 2014, Medicare provided funds of $5.13 per month per qualifying patient for each member health center. Funding expired as of June 30, 2014. Amounts received aggregated $268,386 as of September 30, 2014.

For the year ended September 30, 2014, $6 per month per qualifying patient was disbursed to the member health care centers through June 30, 2014 for a total disbursement of $309,528. The difference between what was paid to the centers and what was received came out of deferred revenue. The payment of $309,528 and the related cash receipts are classified as agency transactions as they arose from the collection of cash for the benefit of another party and, therefore, are not recorded as revenue or expenses on the Organization's books.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted cash - ACO

Restricted cash – ACO consists of advanced funding received from Medicare to be used for the development of systems to improve care coordination, technical improvements, data collection coordination, and promote cost saving. For the years ending September 30, 2015 and 2014, these amounts were $74,810 and $199,144, respectively.

Accounts receivable

The Organization has receivable balances due from dental services provided to individuals and from grants and contracts received from federal, state, and private agencies. Management reviews the receivable balances for collectability and records an allowance for doubtful accounts based on historical information, estimated contractual adjustments, and current economic trends. Management considers the individual circumstance when determining the collectability of past due amounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to earnings and a credit to accounts receivable. Any collection fees or related costs are expensed in the year incurred. The Organization recorded an allowance for doubtful accounts for dental service of $8,752 and $4,200 as of September 30, 2015 and 2014, and an allowance for doubtful accounts for grants and contracts of $0 as of September 30, 2015 and 2014. The Organization does not charge interest on its past due accounts, and collateral is generally not required.

Certificates of deposit

The Organization has three certificates of deposit with two financial institutions. These certificates carry original terms of 12 months to 24 months, have interest rates ranging from 0.25% to .45%, and mature at various dates through September 2016. All certificates are fully insured by the FDIC.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation. The Organization generally capitalizes property and equipment with an estimated useful life in excess of one year and amounts over $2,500. Lesser amounts are generally expensed. Purchased property and equipment is capitalized at cost.

Property and equipment are depreciated using the straight-line method using the following ranges of estimated useful lives:

Computers and Equipment	3-7 years
Dental equipment	5-7 years
Furniture and fixtures	5-7 years
Vehicles	5 years

Depreciation expense totaled $17,084 and $16,265 for the years ended September 30, 2015 and 2014, respectively.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Deferred revenue

Deferred revenue is related to advance payments on grants or advance billings relative to anticipated expenses or events in future periods. The revenue is realized when the expenses are incurred or as services are provided in the period earned.

Deferred revenue – ACO

Deferred revenue – ACO consists of monies received from Medicare that are applicable to initial funding that are to be used for the purpose of the ACO infrastructure and administration. Revenue is to be recognized as qualified costs are incurred.

Net assets

The Organization is required to report information regarding its financial position and activity according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets – consist of unrestricted amounts that are available for use in carrying out the mission of the Organization.

Temporarily restricted net assets – consist of those amounts that are donor restricted for a specific purpose. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has elected, however, to show those restricted contributions whose restrictions are met in the same reporting period as they are received as unrestricted support. The Organization had no temporarily restricted net assets at September 30, 2015 and 2014.

Permanently restricted net assets – result from contributions from donors who place restrictions on the use of donated funds mandating that the original principal remain invested in perpetuity. The Organization had no permanently restricted net assets at September 30, 2015 and 2014.

Income taxes

The Organization and the ACO are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and are not classified as private foundations. FASB ASC 740-10 prescribes a recognition threshold and measurement attributable for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Organization is not aware of any such uncertain tax positions. The tax years ending September 30, 2012 through 2015 are still open to audit.

Functional expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Expenses are charged to programs based on direct expenses incurred and certain costs, including salaries and fringe benefits, are allocated to the programs and supporting services based upon related utilization and benefit.

Note 2. Cash Concentrations

The Organization maintains bank account balances which, at times, may exceed federally insured limits. The Organization has not experienced any losses with these accounts, and management believes the Organization is not exposed to significant credit risk on cash as of September 30, 2015 and 2014.

The Organization attempts to manage credit risk relative to cash concentrations by utilizing "sweep" accounts. The Organization maintains ICS Sweep accounts that invest cash balances in other financial institutions at amounts that do not exceed FDIC insurable limits. All cash at these institutions is held in interest-bearing money market accounts. Interest rates on these balances were .05% as of September 30, 2015.

Note 3. Donated Services

For the year ending September 30, 2015, the subsidiary recorded contribution revenue totaling $9,113 as a result of donated legal services. The contribution revenue was recorded at fair market value.

Note 4. Operating Leases

The Organization leases office space in Littleton, NH under a three year operating lease that expires in April 2017. The Organization has the option to renew the lease for two additional years.

Future minimum rental payments under lease commitments are as follows:

Year Ended September 30,	
2016	$ 57,663
2017	34,218
Thereafter	-
	$ 91,881

Lease expense for the aforementioned leases was $60,777 and $57,534 for the years ended September 30, 2015 and 2014, respectively.

Note 5. Related Party Transactions

A majority of the Organization's members and the Organization are also members of a Limited Liability Company. There were no transactions between the Limited Liability Company and the Organization's members in 2015 and 2014.

The Organization contracts various services from other organizations of which members of management of these other organizations may also be board members of North Country Health Consortium, Inc. and Subsidiary. Amounts paid to these organizations were $144,561 and $214,401 for the years ended September 30, 2015 and 2014, respectively. Outstanding amounts due to these organizations as of September 30, 2015 and 2014 amounted to $3,200 and $0, respectively. Outstanding amounts due from these organizations as of September 30, 2015 and 2014 amounted to $5,844 and $8,160, respectively.

Note 6. Retirement Plan

The Organization offers a defined contribution savings and investment plan (the Plan) under section 403(b) of the Internal Revenue Code. The Plan is available to all employees who are 21 years of age or older. There is no service requirement to participate in the Plan. Employee contributions are permitted and are subject to IRS limitations. Monthly employer contributions are $50 for each part-time employee and $100 for each full-time employee. Employer contributions for the years ended September 30, 2015 and 2014 were $14,570 and $16,436, respectively.

Note 7. Commitment and Contingencies

The Organization receives a significant portion of its support from various funding sources. Expenditure of these funds requires compliance with terms and conditions specified in the related contracts and agreements. These expenditures are subject to audit by the contracting agencies. Any disallowed expenditures would become a liability of the Organization requiring repayment to the funding sources. Liabilities resulting from these audits, if any, will be recorded in the period in which the liability is ascertained.

Note 8. Federal Reports

Additional reports, required by *Government Auditing Standards* and the OMB Circular A-133, including the Schedule of Expenditures of Federal Awards, are included in the supplements to this report.

Note 9. Subsequent Events

The Organization did not submit an application to reapply to the Medicare Shared Savings Program, which expired December 30, 2015. As a result, North Country ACO was issued a status of non-renewal, and its participation agreement with the Shared Savings Program was terminated. As of December 31, 2015, substantially all funds were distributed to participants. A nominal cash balance remained to fund closing activities and completion of the required notifications to participants. After these activities have been completed, it is the intent of the Organization to dissolve North Country ACO.

The Organization has evaluated subsequent events through February 12, 2016, the date the financial statements were available to be issued.

A.M. PEISCH & COMPANY, LLP

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NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY

ADDITIONAL REQUIRED REPORTS

SEPTEMBER 30, 2015

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NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2015

Federal Grantor/Pass through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Subgrant No.	Federal Expenditures
U.S Department of Health and Human Services			
Direct Programs:			
Rural Health Care Services Outreach Program	93.912		$ 189,692
Quality Improvement	93.912		149,294
Network Development	93.912		160,008
			498,994
Health Careers Opportunity	93.329		97,457
Total direct programs:			596,451
Passed through the State of New Hampshire:			
Substance Misuse Prevention	93.959	TI010035-14	64,832
Public Health Advisory Council	93.959	TI010035-14	14,967
			79,799
School-Based Immunization	93.268	H23IP000757	6,696
School-Based Immunization	93.268	H23IP000757	1,872
			8,568
Public Health Emergency Preparedness	93.069	U90TP000535	96,772
Public Health Emergency Preparedness	93.074	U90TP000535	26,650
NH Strategic Prevention Framework Partnership for Success II	93.243	3U79SP019425	224,387
Public Health Advisory Council	93.758	B01OT00937	9,972
Hypertension	93.757	U58DP004821	40,325
Total pass through State of New Hampshire:			486,473
Passed through the University of Dartmouth Area Health Education Center:			
Area Health Education Centers	93.107	U77HP03627	72,563
Passed through Southern NH Area Health Education Center:			
Chronic Disease Self Management Program	93.189	14AANHT3PH	9,656
Passed through the National Association of County and City Health Officials:			
Medical Reserve Corps	93.008	HITEP150026	2,481
Passed through the New Hampshire Health Plan:			
Marketplace	93.525	HBEIE130156	110,383
Total Expenditures of Federal Awards			$ 1,278,007

See accompanying notes to schedule of expenditures of federal awards.

NORTH COUNTRY HEALTH CONSORTIUM, INC.
AND SUBSIDIARY

Notes to Schedule of Expenditures of Federal Awards
for the Year Ended September 30, 2015

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of North Country Health Consortium, Inc. and Subsidiary (the Organization) under programs of the federal government for the year ended September 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, as is applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

A.M. PEISCH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT 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 Directors of
North Country Health Consortium, Inc. and Subsidiary
Littleton, New Hampshire

We have audited, in accordance with the 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 North Country Health Consortium, Inc. and Subsidiary (the Organization) (a New Hampshire nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2015, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 12, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered North Country Health Consortium, Inc. and Subsidiary'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 North Country Health Consortium, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Country Health Consortium, Inc. and Subsidiary's consolidated 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 Organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A. M. Reisch and Company, LLP

St. Johnsbury, Vermont
February 12, 2016
VT Reg. No. 92-0000102

A.M. PEISCH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors of
North Country Health Consortium, Inc. and Subsidiary
Littleton, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited North Country Health Consortium, Inc. and Subsidiary's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of North Country Health Consortium, Inc. and Subsidiary's major federal programs for the year ended September 30, 2015. North Country Health Consortium, Inc. and Subsidiary's major federal program is 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 statues, regulations, and the terms and conditions of the federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of North Country Health Consortium, Inc. and Subsidiary'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 North Country Health Consortium, Inc. and Subsidiary'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 North Country Health Consortium, Inc. and Subsidiary's compliance.

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Opinion on Each Major Federal Program

In our opinion, North Country Health Consortium, Inc. and Subsidiary 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 September 30, 2015.

Report on Internal Control Over Compliance

Management of North Country Health Consortium, Inc. and Subsidiary is 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 North Country Health Consortium, Inc. and Subsidiary'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 OMB Circular A-133, 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 North Country Health Consortium, Inc. and Subsidiary'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A. M. Reisch and Company, LLP

St. Johnsbury, Vermont
February 12, 2016
VT Reg. No. 92-0000102

NORTH COUNTRY HEALTH CONSORTIUM, INC.
AND SUBSIDIARY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2015

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unmodified opinion on the consolidated financial statements of North Country Health Consortium, Inc. and Subsidiary.

2. No material weakness or significant deficiencies relating to the audit of the financial statements of North Country Health Consortium, Inc. and Subsidiary are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Governmental Auditing Standards*.

3. No instances of noncompliance material to the consolidated financial statements of North Country Health Consortium, Inc. and Subsidiary which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No material weakness or significant deficiencies relating to internal control over compliance for major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.

5. The auditor's report on compliance for the major federal award programs for North Country Health Consortium, Inc. and Subsidiary expresses an unmodified opinion on the major federal program.

6. There were no audit findings that are required to be reported in this schedule in accordance with Section 510(a)(3) or (4) of OMB Circular A-133.

7. The program tested as a major program was U.S. Department of Health and Human Services – Rural Health Care Services, Quality Improvement, and Network Development (CFDA Number 93.912).

8. The threshold for distinguishing Types A and B programs was $300,000.

9. North Country Health Consortium, Inc. and Subsidiary was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no reported findings related to the audit of the financial statements for the year ended September 30, 2015.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no reported findings related to the audit of the federal program for the year ended September 30, 2015.

NORTH COUNTRY HEALTH CONSORTIUM, INC.
AND SUBSIDIARY

Summary Schedule of Prior Audit Findings
Year Ended September 30, 2015

2014 and 2013 FINDINGS AND QUESTIONED COSTS – AUDIT OF MAJOR FEDERAL AWARD PROGRAMS

2014 Finding:

There were no reported findings related to the audit of the federal program for the year ended September 30, 2014.

2013 Finding:

There were no reported findings related to the audit of the federal program for the year ended September 30, 2013.

NORTH COUNTRY HEALTH CONSORTIUM

2015 - 2016 Board of Directors

OFFICERS

Ed Shanshala, President (0) (2018) **Ammonoosuc Community Health Services** Chief Executive Officer 25 Mount Eustis Road Littleton, NH 03561 Phone: 603-444-2464 x 128 Email: ed.shanshala@achs-inc.org	***Kristina Fjeld-Sparks, Secretary (0) (2017)*** **NH AHEC** NH AHEC Director 30 Centerra Parkway, 3rd Floor Lebanon, NH 03766 Phone: 603-653-3207 Email: kristina.e.fjeld-sparks@dartmouth.edu
Charlie Cotton, Vice President (O) (2018) **Northern Human Services** Berlin/Colebrook Area Director 3 Twelfth Street Berlin, NH 03570 Phone: 603-752-7404 Email: ccotton@northernhs.org	***Nancy Bishop, Asst. Secretary (0) (2016)*** **Grafton County Human Services** Human Services Administrator 3855 Dartmouth College Highway, Box 2 North Haverhill, NH 03774 Phone: 603-787-2033 Email: nbishop@co.grafton.nh.us
Jonathan Brown, Treasurer (O) (2017) **Indian Stream Health Center** Chief Executive Officer 141 Corliss Lane Colebrook, NH 03576 Phone: 603-388-2416 Email: jbrown@indianstream.org	

DIRECTORS

Sharon Beaty, Director (2018) **Mid-State Health Center** Chief Executive Officer 101 Boulder Point Drive, Suite 1 Plymouth, NH 03264 Phone: 603-536-4000 Email: sbeaty@midstatehealth.org	***Interim Gail Tomlinson(2018)*** **North Country Home Health & Hospice Agency** Executive Director 536 Cottage Street Littleton, NH 03561 Phone: 603-444-5317 Email: gtomlinson@nchhha.org
Ken Gordon, Director (2018) **Coos County Family Health Services** Chief Executive Officer 54 Willow Street Berlin, NH 03570 Phone: 603-752-3669 x 4018 Email: kgordon@ccfhs.org	***Scott Howe, Director (2018)*** **Weeks Medical Center** Chief Executive Officer 173 Middle Street Lancaster, NH 03584 Phone: 603-788-5030 Email: scott.howe@weeksmedical.org

NORTH COUNTRY HEALTH CONSORTIUM

2015 - 2016 Board of Directors

Russell Keene, Director (2018) **Androscoggin Valley Hospital** Chief Executive Officer 59 Page Hill Road Berlin, NH 03570 Phone: 603-752-2200 x 5603 Email: russell.keene@avhnh.org Alternate Email: nicole.lacasse@avhnh.org	***Kristy Letendre, Director (2016)*** **Tri-County Community Action Program** Division Director Division of Alcohol and other Drug Services PO Box 717 Bethlehem, NH 03574 Phone: 603-869-2210 Email: kletendre@tccap.org
Roxie Severance, Director (2017) **Morrison Nursing Home** Executive Director 6 Terrace Street Whitefield, NH 03598 Phone: 603-837-2541 Email: roxie.severance@morrisonnh.org	***Margo Sullivan, Director (2018)*** **Androscoggin Valley Home Care** Executive Director 795 Main Street Berlin, NH 03570 Phone: 603-752-7505 x 817 Email: mcsullivan@avhomecare.org
Warren West, Director (2018) **Littleton Regional Healthcare** Chief Executive Officer 600 St. Johnsbury Road Littleton, NH 03561 Phone: 603-444-9501 Email: wwest@lrhcares.org Designee: Gail Clark, Director of Marketing & Community Relations, Email: gclark@lrhcares.org	***Karen Woods, Director (2018)*** **Cottage Hospital** Administrative Director 90 Swiftwater Road PO Box 2001 Woodsville, NH 03785 Phone: 603-747-9109 Email: kwoods@cottagehospital.org

TRACY A. PAGE

LEAD ADMINISTRATIVE ASSISTANT

Office professional with 25+ years of providing exceptional customer service while maintaining organizational reputation and integrity.

SKILLS

Strategic Planning	Budgetary Adherence	Event Planning
Attention to Details	Maintain Confidentiality	Communication Strength

PERFORMANCE HIGHLIGHTS

- Contributor to "no finding" audits. (North Country Health Consortium, Rivendell Interstate School District, Grafton County)
- Established recordkeeping methods to accurately track budgetary requests and expenses to prevent departmental overspending, resulting in no budget freezes for Rivendell Academy during my tenure. (Rivendell Interstate School District)
- Established and regularly published a parent/community newsletter to promote classroom information and community events. Also posted events to school website. (Rivendell Interstate School District)
- Confidently perform as organizations' liaison with outside contacts/representatives.
- Build successful relationships with supervisors, subordinates and peers.
- Researched, planned and implemented successful employee wellness program to reduce heath insurance costs. (Grafton County)
- Demonstrated financial responsibility: secured appropriate substitute coverage and processed payroll summary for submission to Financial department, invoiced tuition students, processed purchase orders and requisitions, verified and validated invoicing and accounts payable, administration of student activity accounts, close out day's receipts. (North Country Health Consortium, Rivendell Interstate School District & Aldrich General Store, Inc.)
- Recipient of NAEOP PSP Certificate and CEOE Distinction. (Rivendell Interstate School District)
- Internal promotions to supervisory positions. (Lebanon Center–Genesis HealthCare & Rivendell ISD)

CAREER TRACK

- Office Administrator to Accounting Assistant, North Country Health Consortium, Inc. (NCHC) Littleton, NH 2015-Present
- Secretary to Administrative Assistant / Registrar to Executive Assistant / Registrar, Rivendell Interstate School District (RISD), Orford, NH 2005-2015
- Evening Supervisor, Aldrich General Store, Inc., North Haverhill, NH 2005-Present
- Payroll Bookkeeper to Business Office Manager, Lebanon Center-Genesis HealthCare 2003-2005
- Payroll/Personnel Coordinator & Wellness Coordinator, Grafton County, No. Haverhill, NH 1989-2003

EDUCATION

- Enrolled in Health and Wellness Advocate Certificate Program – White Mountains Community College, Berlin, NH, Littleton Learning Center Summer-Fall 2016
- Associate's Degree in Business Science, Major in Accounting – Hesser College, Manchester, NH 1988
  Magna Cum Laude, Phi Theta Kappa
- High School Diploma – Woodsville High School, Woodsville, NH 1986
  Business Student of the Year (original recipient), National Honor Society

PROFESSIONAL MEMBERSHIPS

- Notary Public for the State of New Hampshire (since 1993)
- North Country Health Consortium Health Improvement Planning Committee Member

- North Country Public Health Region MACE Finance and Administration Chief
- Past Member of Vermont Association of Educational Office Professionals (VAEOP)
- Past Member of New Hampshire Association of Educational Office Professionals (NHAEOP)
- Past Member of National Association of Educational Office Professionals (NAEOP)
- Past Member of RISD Coordinated School Health (Wellness) Committee
- Past Secretary for Rivendell Interstate School District Joint Loss Management Committee
- Past Member of New Hampshire Celebrates Wellness
- Past Member of American Payroll Association

Colleen Gingue

Self-Starter **Team Player** **Task Oriented** **Cheerful**

Highlights of Qualifications

- Proficient in Microsoft Suite (Access, Excel, Power Point, Word) and Microsoft Outlook (Email, Calendar, Reminder, Notes), QuickBooks Pro, Customer Relationship Management (CRM), SharePoint, ADP, ReportSmith, Red Beam

Experience

Finance Director *North Country Health Consortium* *2012-Present*

- Prepare monthly financial management reporting packages and analyses
  - Present financial statements to Finance Committee and Board
- Direct preparation of monthly, quarterly, and annual budget reports with recommendations for areas of improvements
- Direct administration of financial management systems, strategies, fiscal policy and procedures
- Oversee and participate in annual external audit
  - Review auditor reports and financial statements, and provide recommendation as needed
- Supervise annual insurance renewals and review coverage requirements
- Supervise Administrative Assistant

Multi-Client Bookkeeper Service *Abacus Bookkeeping* *2012*

- Assist Montpelier tax preparer and bookkeeper service with QuickBooks and Intuit ProSeries tax preparation software
  - Concentration in reconciliations, Excel spreadsheets, and analysis

Accounting Manager *microDATA 911, Inc.* *2002-2011*

- Supervise and Participate in Management of Accounting Department
  - Reconcile A/R, A/P, Payroll, Accrual and Prepaid Accounts, Fixed Assets
- Perform Daily Cash Management and Monthly/Annual Projections
- Prepare Financial Reports for Internal and External Distribution
- Team with external CPA for Annual Review and Tax Return Preparation
- Supervise and Participate in Year-End Closing Duties
  - Payroll Multi-State Reporting Requirements
  - Closing Journal Entries and Financial Statement Preparation
  - New year Prepaid, Accrual and Depreciation Journal Entries
  - Interview, Manage Benefits, Provide Employee Reviews & Coaching

Office Manager/Accountant *Gingue Electric Corporation* *1989-2007 (closed)*

- Orchestrate Multitude of Tasks for Successful Business Operation
  - Manage Payroll and Employee Benefit Duties
  - Track Apprenticeship Program Requirements
  - Manage Full-Charge Bookkeeper Duties: A/P, A/R, Financial Reporting
  - Create and Maintain Inventory and Billing Database

Experience (continued)

Accountant *Deerfield Village Furniture* *1999-2002(office closed)*

- Perform A/R, A/P, Payroll, General Ledger, and Financial Reporting Duties

Various Positions with Northern Community Management Corporation *1993-1998*
Property Manager - Administrative Manager - Accounting Manager

Education

Bachelor's Degree in Business Administration, Johnson State College (in progress)
Cum Laude Graduate with Associate in Science in Accounting, Champlain College

Key Personnel List

New Hampshire Department of Health and Human Services

Administrative Lead: North Country Health Consortium
Region Number: 7

A	B	C
Name of Individual	**Title**	**Annual Salary**
Nancy Frank	Executive Director	$96,012
Colleen Gingue	Finance Director	$69,800
Tracy Page	Accounting Assistant	$45,800
TBD	Senior Project Manager	$65,000
TBD	Accounting Assistant	$42,000
TBD	Medical Director	TBD
Drew Brown	Data/IT Support	$57,850
Lynda Bloom	Administrative Support	$34,500