



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF CORRECTIONS
 DIVISION OF ADMINISTRATION
 P.O. BOX 1806
 CONCORD, NH 03302-1806
 603-271-5610 FAX: 888-908-6609
 TDD ACCESS: 1-800-735-2964
 www.nh.gov/nhdoc

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MLC

HELEN E. HANKS
 COMMISSIONER

JONATHAN K. HANSON
 DIRECTOR

70

March 15, 2023

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

REQUESTED ACTION

Authorize the NH Department of Corrections (NHDOC) to exercise a contract renewal option with Catholic Medical Center (VC #177240), 100 McGregor Street, Manchester, NH 03102, for the provision of Inpatient & Outpatient Hospital/Medical services, by increasing the price limitation by \$1,900,000.00 from \$2,850,000.00 to \$4,750,000.00 and extending the completion date from June 30, 2023 to June 30, 2025 effective upon Governor and Executive Council approval for the period beginning July 1, 2023 through June 30, 2025. The original contract was approved by Governor and Executive Council on June 24, 2020, Item #94. 100% General funds.

Funds are anticipated to be available in the following account *Medical-Dental*: 02-46-46-465010-82340000-101-500729 for Fiscal Years 2024 and 2025, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, if needed and justified.

Catholic Medical Center Original Contract

Account	Description	FY 2021-2023	FY 2024	FY 2025	Total
02-46-46-465010-82340000-101-500729	Medical-Dental	\$2,850,000.00	-	-	\$2,850,000.00

Amendment Agreement #1

Account	Description	FY 2021-2023	FY 2024	FY 2025	Total
02-46-46-465010-82340000-101-500729	Medical-Dental	-	\$950,000.00	\$950,000.00	\$1,900,000.00

Total Contract Amount		\$2,850,000.00	\$950,000.00	\$950,000.00	\$4,750,000.00
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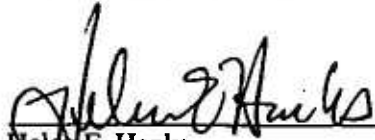
EXPLANATION

This Amendment is for the provision of Inpatient & Outpatient Hospital/Medical services for the residents

of the Concord area consisting of the NH State Prison for Men (NHSP-M), Secure Psychiatric Unit (SPU), Residential Treatment Unit (RTU), NH Correctional Facility for Women (NHCF-W), and the NH Department of Corrections Transitional Housing Units.

The NHDOC utilizes hospital services for short-term medical treatment for residents having an acute illness or injury that is beyond the scope of primary care services provided by the medical staff within the prison facility. These services include inpatient surgery, medical services, and outpatient procedures such as ambulatory surgery, diagnostic and emergency services.

Respectfully Submitted,



Helen E. Hanks
Commissioner



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HELEN E. HANKS
COMMISSIONER

JONATHAN K. HANSON
DIRECTOR

AMENDMENT AGREEMENT # 1

This amendment is between the State of New Hampshire, acting by and through the STATE OF NEW HAMPSHIRE, DEPARTMENT OF CORRECTIONS ("NHDOC" or "State" or "Department"), and Catholic Medical Center, ("Contractor"), a New Hampshire Nonprofit Corporation with a place of business at 100 McGregor Street, Manchester, NH 03102.

WHEREAS, pursuant to a Contract ("Agreement 2020-94") approved by the Governor and Executive Council on June 24, 2020, Item #94 with an effective date of July 1, 2020, the Contractor agreed to perform Inpatient & Outpatient Hospital/Medical services based upon the terms and conditions specified in the original Agreement as amended and in consideration of certain sums specified; and

WHEREAS, the State and Contractor have agreed to make changes to the completion date, price limitation and Scope of Services of the Agreement; and

WHEREAS, pursuant to the General Provisions, Paragraph 17 of the Agreement and Scope of Services, Exhibit B, Paragraph 2., Performance Period, the State may extend contracted services for one (1) additional period of up to two (2) years, contingent upon satisfactory Contractor performance, Commissioner approval, continued appropriation and Governor and Executive Council (G&C) approval only by an instrument in writing signed by the parties; and

WHEREAS, the parties agree to extend the Agreement for two (2) additional years and increase the price limitation; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the original Agreement and set forth herein, the parties hereto agree as follow:

To amend as follows:

1. Form P-37, General Provisions, Block 1.7, Completion Date, to read: "June 30, 2025".
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read: "\$4,750,000.00" a total increase of \$1,900,000.00.
3. Scope of Services, Exhibit B, Section 1, Purpose, adopt the amendment(s) to RSA 623-C:2 which came into effect July 1, 2015.
4. Scope of Services, Exhibit B, Section 2., Performance Period, to read:
"Amendment #1 exercises the option to renew for one (1) additional period of up to two (2) years and shall become effective upon Governor and Executive Council for the period of July 1, 2023 through June 30, 2025 with the approval of the Commissioner of the NH Department of Corrections (NHDOC) and upon Governor and Executive Council (G&C) approval."
5. That all other provisions of the original Agreement shall remain in full force and effect.

SIGNATURE PAGE TO AMENDMENT AGREEMENT #1 TO: Inpatient & Outpatient Hospital/Medical services 2020-94 ("Agreement").

STATE OF NEW HAMPSHIRE DEPARTMENT OF CORRECTIONS

By: [Signature]
Name: Helen E. Hanks
Title: Commissioner
Date: 3/16/2023

Catholic Medical Center

By: [Signature]
Name: Alex Walker
Title: President
Date: 1-31-2023

STATE OF New Hampshire
COUNTY OF Hillsborough

On this 31 day of January 2023, before me, Lee Golon, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is signed above and acknowledged that he/she executed this document in the capacity indicated above.

In witness thereof, I hereto set my hand and official seal.

[Signature]
Notary Public/Justice of the Peace

LEE M. GOLON
NOTARY PUBLIC
State of New Hampshire
My Commission Expires
July 11, 2023

My Commission Expires: _____

/s Christopher Bond
Approval by N.H. Attorney General
(Form, Substance and Execution)

4/27/23
Date

Approved by the N.H. Governor and Executive Council

Date

CERTIFICATE OF AUTHORITY

I, Matthew Kfoury, do hereby certify that:

1. I am the duly elected Secretary of Catholic Medical Center, a New Hampshire voluntary corporation ("CMC");
2. Alexander J. Walker, is the duly elected President & CEO of CMC;
3. The attached Exhibit A is a true copy of resolutions duly adopted at a meeting of the Board of Trustees of CMC on January 26, 2023;
4. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of the 31 day of January, 2023 and this authority remains valid for thirty (30) days from the date of this Certificate of Authority; and
5. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence from CMC that I am the Secretary of CMC and that Mr. Walker has the authority to bind CMC. To the extent that there are any limits on the authority of Mr. Walker or myself to bind CMC in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

I have hereunto set my hand as the Secretary of CMC this 31 day of January 2023.

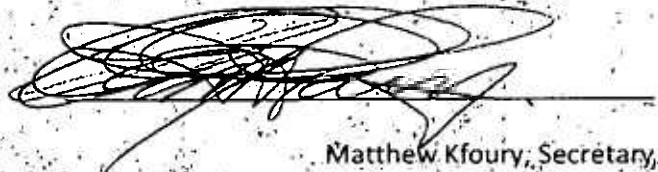

Matthew K. Foury, Secretary



I, Matthew Kfoury, do hereby certify that:

1. I am the duly elected Secretary of Catholic Medical Center, a New Hampshire voluntary corporation ("CMC");
2. The Certificate of Authority executed by me on January 31, 2023 and Exhibit A signatories have not been rescinded and are still in full force and effect.

I have hereunto set my hand as the Secretary of CMC this 12th day of May, 2023.

A handwritten signature in black ink, appearing to read "Matthew Kfoury", is written over a horizontal line. The signature is somewhat stylized and scribbled.

Matthew Kfoury, Secretary,

Exhibit A

RESOLUTIONS

OF THE

BOARD OF TRUSTEES

OF CATHOLIC MEDICAL CENTER ("CMC")

Authorizing CMC to enter into Contracts with the State of New Hampshire

January 26, 2023

RESOLVED: That CMC be authorize to enter into contracts, amendments, renewals, revisions or modifications thereto, with the State of New Hampshire, including any of its agencies or departments.

RESOLVED: That Alexander J. Walker, as President & CEO of CMC, is hereby authorized on behalf of CMC to enter into contracts with the State and to execute any and all documents, agreements, and other instruments; and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable, or appropriate.

**State of New Hampshire
Department of State**

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CATHOLIC MEDICAL CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 07, 1974. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62116

Certificate Number: 0004896742



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 20th day of April A.D. 2020.

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

William M. Gardner
Secretary of State



State of New Hampshire

Department of State

2020 ANNUAL REPORT

Filed
Date Filed: 12/18/2020
Effective Date: 12/18/2020
Business ID: 62116
William M. Gardner Secretary of State

BUSINESS NAME: CATHOLIC MEDICAL CENTER
BUSINESS TYPE: Domestic Nonprofit Corporation
BUSINESS ID: 62116
STATE OF INCORPORATION: New Hampshire

CURRENT PRINCIPAL OFFICE ADDRESS	CURRENT MAILING ADDRESS
100 McGregor Street Manchester, NH, 03102, USA	100 McGregor Street Manchester, NH, 03102, USA

PRINCIPAL PURPOSE(S)	
NAICS CODE	NAICS SUB CODE
OTHER / To establish and operate an acute care hospital in the City of Manchester, NH without pecuniary gain and without distinction as to race, color, creed, sex or ability to pay. See amended Art II 12/30/16.	

OFFICER / DIRECTOR INFORMATION		
NAME	BUSINESS ADDRESS	TITLE
Joseph Pepe, MD	100 McGregor Street, Manchester, NH, 03102, USA	President
Matthew Kfoury	100 McGregor Street, Manchester, NH, 03102, USA	Secretary
Pamela Diamantis	100 McGregor Street, Manchester, NH, 03102, USA	Treasurer
John G. Cronin, Esq.	100 McGregor Street, Manchester, NH, 03102, USA	Chairman of the Board of Directors
Patricia Furey, MD	100 McGregor Street, Manchester, NH, 03102, USA	Director
Carolyn Claussen, MD	100 McGregor Street, Manchester, NH, 03102, USA	Director
Louis Fink, MD	100 McGregor Street, Manchester, NH, 03102, USA	Director
Susan M. Kinney, RN	100 McGregor Street, Manchester, NH, 03102, USA	Director
John J. Munoz, MD	100 McGregor Street, Manchester, NH, 03102, USA	Director
Marie McKay, CA	100 McGregor Street, Manchester, NH, 03102, USA	Director
Catherine Provencher	100 McGregor Street, Manchester, NH, 03102, USA	Director
Derek McDonald	100 McGregor Street, Manchester, NH, 03102, USA	Director
Timothy Riley	100 McGregor Street, Manchester, NH, 03102, USA	Director
Nell Levesque	100 McGregor Street, Manchester, NH, 03102, USA	Other Officer

I, the undersigned, do hereby certify that the statements on this report are true to the best of my information, knowledge and belief.

Title: President
 Business Name: Catholic Medical Center
 Signature: Joseph Pepe, MD
 Name of Signer: Joseph Pepe, MD



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/01/2022

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

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

PRODUCER MARSH USA, INC. 89 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@marsh.com Fax: 212-948-4377	CONTACT NAME: PHONE (A/C No. Ext): FAX (A/C No.): E-MAIL: ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
INSURED Catholic Medical Center 100 McGregor Street Manchester, NH 03102	INSURER A : TDC Specialty Insurance Company	NAIC # 34495
	INSURER B : Safety National Casualty Corp.	15105
	INSURER C : ProAssurance Specialty Insurance Company	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES CERTIFICATE NUMBER: NYC-010851052-05 REVISION NUMBER: 5

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	Addr (RSD)	Subbr (RSD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			HPP-00171-22-01	10/01/2022	10/01/2024	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 50,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 3,000,000
							PRODUCTS - COMPROP AGG	\$ 3,000,000
								\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> RETENTION \$ 25,000 <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> CLAIMS-MADE			HP5111	10/01/2022	10/01/2023	EACH OCCURRENCE	\$ 5,000,000
							AGGREGATE	\$ 5,000,000
								\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			SP 4057329	10/01/2022	10/01/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER	
				*SIR \$750,000			E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	PROFESSIONAL LIABILITY			HPP-00171-22-01	10/01/2022	10/01/2024	PER CLAIM	1,000,000
							AGGREGATE	3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
The State of New Hampshire, New Hampshire Department of Corrections is/are included as additional insured (except workers' compensation) where required by written contract.

CERTIFICATE HOLDER New Hampshire Department of Corrections P.O. Box 1806 Concord, NH 03302-1806	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Marsh USA Inc.</i>
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Catholic Medical Center

Mission Statement, Values and Vision Statement

2020

Mission

The heart of Catholic Medical Center is to carry out Christ's healing ministry by offering **health, healing and hope** to every individual who seeks our care.

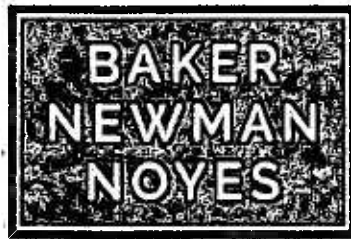
Values

Our values are rooted in the fundamental values of promoting and defending human dignity and respecting the sacredness of human life. We are committed to:

- Compassion
- Respect
- Patient-Centered Care
- Human Dignity
- Excellence

Vision

Guided by our Mission and Values, we are committed to becoming the finest customer experience, lowest cost, and best outcome provider in the region.



CMC Healthcare System, Inc.

Audited Consolidated Financial Statements

*Years Ended September 30, 2021 and 2020
With Independent Auditors' Report*

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED BALANCE SHEETS

September 30, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$110,979,667	\$151,551,269
Short-term investments	3,582,157	3,572,434
Accounts receivable	71,559,507	62,791,576
Inventories	3,912,718	4,836,875
Other current assets	<u>18,861,756</u>	<u>16,427,148</u>
Total current assets	208,895,805	239,179,302
Property, plant and equipment, net	144,872,110	147,642,544
Other assets:		
Intangible assets and other	18,557,706	17,118,765
Assets whose use is limited:		
Pension and insurance obligations	24,811,739	20,198,308
Board designated and donor restricted investments and restricted grants	168,473,103	151,252,801
Held by trustee under revenue bond agreements	<u>1,250,410</u>	<u>1,345,012</u>
	<u>194,535,252</u>	<u>172,796,121</u>
Total assets	<u>\$566,860,873</u>	<u>\$576,736,732</u>

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Patient service revenues	\$ 455,963,619	\$ 391,158,922
Other revenue	40,909,118	35,839,402
Disproportionate share funding	<u>21,483,694</u>	<u>18,380,790</u>
Total operating revenues	518,356,431	445,379,114
Operating expenses:		
Salaries, wages and fringe benefits	281,520,814	278,916,574
Supplies and other	192,476,393	170,961,809
New Hampshire Medicaid enhancement tax	19,248,461	22,054,486
Depreciation and amortization	13,005,133	16,221,934
Interest	<u>5,007,696</u>	<u>4,334,625</u>
Total operating expenses	<u>511,258,497</u>	<u>492,489,428</u>
Income (loss) from operations	7,097,934	(47,110,314)
Nonoperating gains (losses):		
Investment income, net	26,082,136	9,801,818
Net periodic pension cost, other than service cost	(903,813)	(598,353)
Contributions without donor restrictions	551,406	1,337,194
Development costs	(577,663)	(570,636)
Forgiveness of PPP loan	618,500	-
Other nonoperating expenses and losses	<u>(10,449,058)</u>	<u>(3,744,929)</u>
Total nonoperating gains, net	<u>15,321,508</u>	<u>6,225,094</u>
Excess (deficiency) of revenues and gains over expenses	22,419,442	(40,885,220)
Unrealized (depreciation) appreciation on investments	(4,872)	13,723
Change in fair value of interest rate swap agreement	204,639	(261,651)
Assets released from restriction used for capital	70,304	159,168
Pension-related changes other than net periodic pension cost	<u>50,168,380</u>	<u>(23,927,903)</u>
Change in net assets without donor restrictions	72,857,893	(64,901,883)
Net assets without donor restrictions at beginning of year	<u>39,470,152</u>	<u>104,372,035</u>
Net assets without donor restrictions at end of year	<u>\$ 112,328,045</u>	<u>\$ 39,470,152</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating activities:		
Change in net assets	\$ 76,429,856	\$(49,150,816)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	13,005,133	16,221,934
Pension-related changes other than net periodic pension cost	(50,168,380)	23,927,903
Restricted gifts and investment income	(3,396,210)	(16,202,603)
Net realized and unrealized gains on sales of investments	(23,060,105)	(6,130,421)
Forgiveness of PPP loan	(618,500)	-
Change in interest in perpetual trust	(1,546,976)	(104,885)
Change in fair value of interest rate swap agreement	(204,639)	261,651
Bond discount/premium and issuance cost amortization	(238,116)	(256,596)
Changes in operating assets and liabilities:		
Accounts receivable	(8,767,931)	16,531,066
Inventories	924,157	(236,073)
Other current assets	3,240,997	(2,228,925)
Other assets	(1,438,941)	1,481,849
Accounts payable and accrued expenses	(20,921,857)	19,617,964
Accrued salaries, wages and related accounts	1,326,112	1,576,241
Amounts payable to third-party payors	31,126,220	9,702,839
Accrued pension and other liabilities	<u>(47,190,175)</u>	<u>46,377,405</u>
Net cash (used) provided by operating activities	<u>(31,499,355)</u>	<u>61,388,533</u>
Investing activities:		
Purchases of property, plant and equipment	(8,482,503)	(21,738,820)
Net change in assets held by trustee under revenue bond agreements	94,602	17,500,343
Proceeds from sales of investments	114,881,518	40,581,691
Purchases of investments	<u>(116,623,848)</u>	<u>(51,180,354)</u>
Net cash used by investing activities	<u>(10,130,231)</u>	<u>(14,837,140)</u>
Financing activities:		
Payments on long-term debt	(2,672,713)	(3,814,000)
Proceeds from issuance of long-term debt	1,727,235	42,993,018
Payments on capital leases	(223,098)	(426,101)
Bond issuance costs	-	(211,510)
Restricted gifts and investment income	<u>2,226,560</u>	<u>10,208,979</u>
Net cash provided by financing activities	<u>1,057,984</u>	<u>48,750,386</u>
(Decrease) increase in cash and cash equivalents	(40,571,602)	95,301,779
Cash and cash equivalents at beginning of year	<u>151,551,269</u>	<u>56,249,490</u>
Cash and cash equivalents at end of year	<u>\$ 110,979,667</u>	<u>\$151,551,269</u>

Supplemental disclosure:

During 2021 and 2020, the System entered into capital lease obligations to finance certain equipment totaling \$1,739,803 and \$253,781, respectively.

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

1. Organization (Continued)

On December 30, 2019, GraniteOne, the Medical Center, HH and MCH submitted a Joint Notice of Change of Control to the New Hampshire Attorney General, Director of Charitable Trusts pursuant to New Hampshire RSA 7:19-b beginning the regulatory review and approval process of the Combination. Subsequent to that date, the parties also continue to participate in the nonpublic antitrust regulatory review process. If all necessary approvals are obtained and closing conditions satisfied, D-HH GO will consist of a major academic medical center offering tertiary and quaternary services, an acute care community hospital in an urban setting (the Medical Center), an acute care community hospital in a rural setting (Cheshire), five rural critical access hospitals (NLH, MAHHC, APD, HH and MCH), a post-acute home health and hospice provider (VNH), and nearly 1,800 employed and affiliated primary and specialty care physicians. D-HH GO System Members will combine their resources to offer a broader array of inpatient, outpatient and ambulatory services.

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting.

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center, PPA, Enterprises, Resources, AAS, AHS, DMA and SPH. 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. Significant estimates are made in the areas of valuation of accounts receivable, estimated settlements with third-party payors, accrued compensation and benefits, conditional asset retirement obligations, and insurance-related reserves.

Income Taxes

The System and all related entities, with the exception of Enterprises and DMA, are not-for-profit corporations as described in Section 501(c)(3) of the Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the consolidated financial statements.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

2. Significant Accounting Policies (Continued)

Accounts Receivable

Patient accounts receivable for which the unconditional right to payment exists are receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. Accounts receivable at September 30, 2021 and 2020 reflect the fact that any estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to accounts receivable rather than allowance for doubtful accounts. At September 30, 2021 and 2020, estimated implicit price concessions of \$23,128,679 and \$28,756,009, respectively, have been recorded as reductions to accounts receivable balances to enable the System to record revenues and accounts receivable at the estimated amounts expected to be collected.

Inventories

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

Related Party Activity

The Medical Center has engaged in various transactions with GraniteOne, HH and MCH. The Medical Center recognized approximately \$3.1 million and \$3.0 million in revenue from these related parties for the years ended September 30, 2021 and 2020, respectively, which is reflected within other revenues in the accompanying consolidated statements of operations. The Medical Center also incurred expenses to these related parties of approximately \$6.5 million and \$3.8 million for the years ended September 30, 2021 and 2020, respectively, of which \$600,000 is reflected within operating expenses. Additionally, approximately \$5.9 million and \$3.2 million as of September 30, 2021 and 2020, respectively, is reflected within nonoperating gains (losses) in the accompanying consolidated statement of operations. As of September 30, 2021, the Medical Center had a net amount due from these related parties of approximately \$1.3 million, of which \$1.8 million is reflected within other current assets and \$500,000 is reflected within accounts payable and accrued expenses in the accompanying 2021 consolidated balance sheet. As of September 30, 2020, the Medical Center had a net amount due from these related parties of approximately \$2.6 million, of which \$7.6 million is reflected within other current assets and \$5.0 million is reflected within accounts payable and accrued expenses in the accompanying 2020 consolidated balance sheet.

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase or fair value at the time of donation, less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provisions for depreciation and amortization have been determined using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. See also Note 5. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

2. Significant Accounting Policies (Continued)

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

Retirement Benefits

The Catholic Medical Center Pension Plan (the Plan) provides retirement benefits for certain employees of the Medical Center and PPA who have attained age twenty-one and work at least 1,000 hours per year. The Plan consists of a benefit accrued to July 1, 1985, plus 2% of plan year earnings (to legislative maximums) per year. The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as may be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

Effective January 1, 2008 the Medical Center decided to close participation in the Plan to new participants. As of January 1, 2008, current participants continued to participate in the Plan while new employees receive a higher matching contribution to the tax-sheltered annuity benefit program discussed below.

During 2011, the Board of Trustees voted to freeze the accrual of benefits under the Plan effective December 31, 2011.

The Plan was amended effective as of May 1, 2016 to provide a limited opportunity for certain terminated vested participants to elect an immediate lump sum or annuity distribution option.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

2. Significant Accounting Policies (Continued)

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, pension and insurance obligations, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. Donated investments, supplies and equipment are reported at fair value at the date of receipt. Unconditional promises to give cash and other assets are reported at fair value at the date of the receipt of the promise. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the System in perpetuity.

Except for contributions related to capital purchases, donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions within net assets without donor restrictions in the accompanying consolidated financial statements.

Pledges Receivable

Pledges receivable are recognized as revenue when the unconditional promise to give is made. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows is measured utilizing risk-free rates of return adjusted for market and credit risk established at the time a contribution is received.

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. See Note 8 for further discussion regarding fair value measurements. Investment income (including realized gains and losses on investments, interest and dividends) and the net change in unrealized gains and losses on equity securities are included in the excess (deficiency) of revenues and gains over expenses in the accompanying consolidated statements of operations, unless the income or loss is restricted by donor or law. The change in net unrealized gains and losses on debt securities is reported as a separate component of the change in net assets without donor restrictions, except declines that are determined by management to be other than temporary, which are reported as an impairment charge (included in the excess (deficiency) of revenues and gains over expenses). No such losses were recorded in 2021 or 2020.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

2. Significant Accounting Policies (Continued)

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

Performance Indicator

Excess (deficiency) of revenues and gains over expenses is comprised of operating revenues and expenses and nonoperating gains and losses. For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains or losses, which include contributions without donor restrictions, development costs, net investment income (including realized gains and losses on the sales of investments and unrealized gains and losses on equity investments), net periodic pension costs (other than service cost), forgiveness of Paycheck Protection Program (PPP) loan, other nonoperating expenses and losses, and contributions to community agencies.

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 years.

In accordance with Accounting Standards Update (ASU) No. 2010-24, "Health Care Entities" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2021 and 2020, the System recorded a liability of \$15,491,857 and \$14,511,532, respectively, related to estimated professional liability losses covered under this policy. At September 30, 2021 and 2020, the System also recorded a receivable of \$11,402,607 and \$10,725,032, 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.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020.

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

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the System on October 1, 2022. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The System is currently evaluating the impact of the pending adoption of ASU 2016-02 on the System's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13). The amendments in this ASU modify the disclosure requirements for fair value measurements for Level 3 assets and liabilities, and eliminate the requirement to disclose transfers between Levels 1 and 2 of the fair value hierarchy, among other modifications. ASU 2018-13 is effective for the System on October 1, 2020. The adoption of ASU 2018-13 did not have a material impact on these consolidated financial statements.

In August 2018, FASB issued ASU No. 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans – General (Topic 715)* (ASU 2018-14). Under ASU 2018-14, the disclosure requirements for employers that sponsor defined benefit pension and other postretirement plans are modified. ASU 2018-14 is effective for the System on October 1, 2022, with early adoption permitted. The System will apply the amendments on a retrospective basis to all periods presented.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides companies and organizations with optional expedients and exceptions to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued. The optional expedients may be applied to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. The amendments in this update are effective for all entities as of March 12, 2020 and may be adopted using a prospective approach through December 31, 2022. Management is currently evaluating the impact of the guidance and may apply elections as applicable as additional changes in the market occur during the LIBOR transition period.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

2. Significant Accounting Policies (Continued)

Distributions from the Provider Relief Fund and GOFERR are not subject to repayment, provided the System is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. Such payments are accounted for as government grants, and are recognized on a systematic and rational basis as other income once there is reasonable assurance that the applicable terms and conditions required to retain the funds will be met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and GOFERR and the impact of the pandemic on operating results through September 30, 2021, the System recognized approximately \$17.6 million related to these funds, which is recorded within other revenue in the consolidated statements of operations for the year ended September 30, 2021. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and GOFERR and the impact of the pandemic on operating results through September 30, 2020, the System recognized approximately \$17.1 million related to these funds, which is recorded within other revenue in the consolidated statements of operations for the year ended September 30, 2020.

The CARES Act also provides for a deferral of payments of the employer portion of payroll tax incurred during the pandemic, allowing half of such payroll taxes to be deferred until December 2021, and the remaining half until December 2022. At September 30, 2021 and 2020, the System had deferred approximately \$7.2 million and \$5.1 million, respectively, of payroll taxes, of which approximately \$3.7 million and \$5.1 million, respectively, are recorded within accrued pension and other liabilities in the accompanying consolidated balance sheets. As of September 30, 2021, approximately \$3.5 million of deferred payroll taxes are recorded within accrued salaries, wages and related accounts on the accompanying 2021 consolidated balance sheet.

Subsequent to year end, the System received an additional approximately \$5.7 million from the Provider Relief Fund and approximately \$920,000 from GOFERR. These payments are accounted for as government grants and are not subject to repayment, provided the Medical Center is able to comply with the conditions of the funding, including demonstrating that the distribution received has been used for healthcare-related expenses or lost revenue attributable to COVID-19. The System anticipates meeting the terms and conditions of these grants in the fiscal year ended September 30, 2022. No amounts related to these grants are reflected in these consolidated financial statements.

Subsequent Events

Management of the System evaluated events occurring between the end of the System's fiscal year and February 18, 2022, the date the consolidated financial statements were available to be issued.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

4. Patient Service Revenues

As discussed in Note 2, during fiscal year 2020, the System requested accelerated Medicare payments as provided for in the CARES Act, which allowed for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. One year from the date of receipt of the advance payments (beginning April 2021) 25% of the advances will be recouped in the first eleven months. An additional 25% of the advances will be recouped in the next six months, with the entire amount repayable in 29 months. Any outstanding balance after 29 months is repayable at a 4% interest rate. During the third quarter of fiscal 2020, the System received approximately \$49.0 million from these accelerated Medicare payment requests. At September 30, 2021 and 2020, the current portion due within a year, totaling approximately \$35.7 million and \$6.7 million, respectively, is recorded under the caption "amounts payable to third-party payors" and the long-term portion as of September 30, 2020, totaling approximately \$42.3 million, in the caption "accrued pension and other liabilities" in the accompanying consolidated balance sheets. There is no long-term portion as of September 30, 2021.

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 schedules. The System does not currently hold reimbursement contracts which contain financial risk components.

An estimated breakdown of patient service revenues by major payor sources is as follows for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Private payor (includes coinsurance and deductibles)	\$286,410,684	\$232,469,236
Medicaid	17,882,234	16,137,362
Medicare	141,890,218	141,363,073
Self-pay	<u>9,780,483</u>	<u>1,189,251</u>
	<u>\$455,963,619</u>	<u>\$391,158,922</u>

Medicaid Enhancement Tax and Disproportionate Share Payment

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.40% of the Medical Center's patient service revenues with certain exclusions. The amount of tax incurred by the Medical Center for the years ended September 30, 2021 and 2020 was \$19,248,461 and \$22,054,486, respectively.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

5. Property, Plant and Equipment (Continued)

As of September 30, 2021, construction in progress primarily consists of the cost related to the acquisition of land adjacent to the current hospital building, intended for a future expansion of the Medical Center. As of the date of these consolidated financial statements, the Medical Center has purchase commitments of approximately \$7.2 million related to initial planning, design, and cost estimate development for the hospital expansion.

6. Long-Term Debt and Notes Payable

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

	<u>2021</u>	<u>2020</u>
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds:		
Series 2012 Bonds with interest ranging from 4.00% to 5.00% per year and principal payable in annual installments ranging from \$1,125,000 to \$1,665,000 through July 2032	\$ 15,500,000	\$ 17,045,000
Series 2015A Bonds with interest at a fixed rate of 2.27% per year and principal payable in annual installments ranging from \$185,000 to \$1,655,000 through July 2040	20,400,000	21,030,000
Series 2015B Bonds with variable interest subject to interest rate swap described below and principal payable in annual installments ranging from \$220,000 to \$665,000 through July 2036	7,640,000	7,855,000
Series 2017 Bonds with interest ranging from 3.38% to 5.00% per year and principal payable in annual installments ranging from \$2,900,000 to \$7,545,000 beginning in July 2033 through July 2044	<u>61,115,000</u>	<u>61,115,000</u>
	104,655,000	107,045,000
Construction loans – see below	12,566,668	10,888,150
MOB LLC note payable – see below	7,330,500	7,564,500
Term loan – see below	35,000,000	35,000,000
PPP loan – see below	–	618,500
Capitalized lease obligations	1,688,468	171,759
Unamortized original issue premiums/discounts	4,339,925	4,687,958
Unamortized debt issuance costs	<u>(1,285,528)</u>	<u>(1,395,445)</u>
	164,295,033	164,580,422
Less current portion	<u>(3,422,609)</u>	<u>(2,708,585)</u>
	<u>\$160,872,424</u>	<u>\$161,871,837</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

6. Long-Term Debt and Notes Payable (Continued)

Construction Loans

On July 1, 2019, the Medical Center established a nonrevolving line of credit up to \$10,000,000 with a bank in order to fund the expansion of the Medical Center. The line of credit bore interest at the LIBOR lending rate plus 0.75%. Advances from the line of credit were available through July 1, 2021, at which time the then outstanding line of credit balance automatically converted to a term loan. Upon conversion, the Medical Center shall make monthly payments of principal and interest, assuming a 30-year level monthly principal and interest payment schedule, with a final maturity of July 1, 2029. The bank computed the schedule of principal payments based on the interest rate applicable on the conversion date (0.85%). Payments of interest only were due on a monthly basis until the conversion date. The Medical Center has pledged gross receipts as collateral. As of September 30, 2021, the balance outstanding under the converted term loan is \$9,951,192. As of September 30, 2020, the Medical Center had drawn \$9,999,979 on this line of credit.

On March 20, 2020, the Medical Center established a second nonrevolving line of credit up to \$10,000,000 with a bank in order to further fund certain costs related to the expansion of the Medical Center. The line of credit bears interest at the LIBOR lending rate plus 0.75% (0.83% at September 30, 2021). Advances from the line of credit are available through March 20, 2022, at which time the then outstanding line of credit balance will automatically convert to a term loan. Upon conversion, the Medical Center shall make monthly payments of principal and interest, assuming a 30-year level monthly principal and interest payment schedule, with a final maturity of March 20, 2030. The bank shall compute the schedule of principal payments based on the interest rate applicable on the conversion date. Payments of interest only are due on a monthly basis until the conversion date. The Medical Center has pledged gross receipts as collateral. As of September 30, 2021 and 2020, the Medical Center has drawn \$2,615,476 and \$888,171, respectively, on this line of credit.

MOB LLC Note Payable

On March 27, 2018, the MOB LLC (a subsidiary of Enterprises) refinanced an existing note payable to a term loan totaling \$8,130,000. Interest is fixed at 3.71% and is payable monthly. Principal payments of \$19,500 are due in monthly installments beginning May 1, 2018, and continuing until March 27, 2028, at which time the remaining unpaid principal and interest shall be due in full. During 2021, the fixed interest rate on this note payable was modified to a fixed rate of 4.52%. All other payment terms remained the same. Under the terms of the loan agreement, the Medical Center and MOB LLC (the Obligated Group) has granted the bank a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center and the System also guarantee the note payable.

Term Loan

On August 21, 2020, the Medical Center entered into a term loan with a bank totaling \$35,000,000 with the proceeds to be used for general working capital and liquidity purposes, as well as to pay the costs of issuance related to the term loan. Interest is fixed at 2.11%, and payments of interest only are due on a monthly basis through August 21, 2023, at which time the full principal amount outstanding is due, along with any accrued and unpaid interest. The Medical Center has pledged gross receipts as collateral, and the term loan is further secured by a mortgage until such time the aforementioned Authority bonds are no longer outstanding.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

6. Long-Term Debt and Notes Payable (Continued)

Debt Covenants

In conjunction with the revenue bonds, construction loans and term loan outlined above, the Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. In conjunction with the MOB LLC note payable outlined above, the Obligated Group is also required to maintain a minimum debt service coverage ratio of 1.20. In anticipation of the potential impact of the COVID-19 pandemic on the System's operations as discussed in Note 2, the System entered into consent agreements with the various bank issuers involved to obtain a waiver of the debt service coverage ratio requirement for the fiscal year ending September 30, 2020, as well as for quarters ending December 31, 2020 and March 31, 2021 (the "affected period"). During the affected period, the various loan agreements were further modified to include a cash to debt requirement of 0.60. The Medical Center, as well as the Obligated Group for the MOB LLC note payable, was in compliance with this covenant as of September 30, 2020. Further, despite the waiver obtained, the Medical Center, as well as the Obligated Group for the MOB LLC note payable, were also in compliance with the minimum debt service coverage ratio as of September 30, 2020. The Medical Center, as well as the Obligated Group for the MOB LLC note payable, was in compliance with all required debt covenants as of September 30, 2021.

Derivatives

In January 2016, the Medical Center entered into an interest rate swap agreement with an initial notional amount of \$8,650,000 in connection with its Series 2015B Bond issuance. The swap agreement hedges the Medical Center's interest exposure by effectively converting interest payments from variable rates to a fixed rate. The swap agreement is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in net assets without donor restrictions. Under this agreement, the Medical Center pays a fixed rate equal to 1.482%, and receives a variable rate of 69.75% of the one-month LIBOR rate (0.06% at September 30, 2021). Payments under the swap agreement began August 1, 2016 and the agreement will terminate August 1, 2025.

The fair value of the Medical Center's interest rate swap agreement amounted to a liability of \$277,022 and \$481,661 as of September 30, 2021 and 2020, respectively, which amount has been recorded within accrued pension and other liabilities in the accompanying consolidated balance sheets. The change in the fair value of this derivative of \$204,639 and \$(261,651), respectively, has been included within the consolidated statements of changes in net assets as a change in net assets without donor restrictions for the years ended September 30, 2021 and 2020.

7. Operating Leases

The System has various noncancelable agreements to lease various pieces of medical equipment. The System also has noncancelable leases for office space and its physician practices. Rental expense under all leases for the years ended September 30, 2021 and 2020 was \$5,274,755 and \$4,422,377, respectively.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

8. **Investments and Assets Whose Use is Limited (Continued)**

A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the System for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 — Observable inputs such as quoted prices in active markets;

Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 — Unobservable inputs in which there is little or no market data.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* — Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* — Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* — Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. There have been no changes in the methodologies used at September 30, 2021 and 2020.

The following are descriptions of the valuation methodologies used:

U.S. Federal Treasury Obligations and Fixed Income Securities

The fair value is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds fixed income mutual funds and exchange traded funds, governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are primarily classified as Level 1 within the fair value hierarchy.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

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

Total investments, excluding pledges receivable, net, included the following as of September 30, 2021:

Short-term investments	\$ 3,582,157
Assets whose use is limited	<u>193,419,116</u>
	<u>\$197,001,273</u>

The following table presents information about the System's assets and liabilities measured at fair value on a recurring basis based upon the lowest level of significant input to the valuations at September 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 26,439,851	\$ —	\$ —	\$ 26,439,851
U.S. federal treasury obligations	2,631,848	—	—	2,631,848
Marketable equity securities	49,734,005	—	—	49,734,005
Fixed income securities	<u>40,706,741</u>	<u>—</u>	<u>—</u>	<u>40,706,741</u>
	<u>\$119,512,445</u>	<u>\$ —</u>	<u>\$ —</u>	119,512,445
Investments measured at net asset value:				
Private investment funds				<u>50,862,486</u>
Total investments at fair value				<u>\$170,374,931</u>
<u>Liabilities</u>				
Interest rate swap agreement	<u>\$ —</u>	<u>\$ —</u>	<u>\$481,661</u>	<u>\$ 481,661</u>

Total investments, excluding pledges receivable, net, included the following as of September 30, 2020:

Short-term investments	\$ 3,572,434
Assets whose use is limited	<u>166,802,497</u>
	<u>\$170,374,931</u>

There were no significant purchases, issues or transfers into or out of Level 3 for the years ended September 30, 2021 or 2020.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

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

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts receivable, pledges receivable, accounts payable and accrued expenses, amounts payable to third-party payors and long-term debt. The fair value of all financial instruments other than long-term debt approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. See Note 6 for disclosure of the fair value of long-term debt.

9. Retirement Benefits

A reconciliation of the changes in the Catholic Medical Center Pension Plan, the Medical Center's Supplemental Executive Retirement Plan and the New Hampshire Medical Laboratories Retirement Income Plan projected benefit obligations and the fair value of assets for the years ended September 30, 2021 and 2020, and a statement of funded status of the plans for both years is as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2021	2020	2021	2020	2021	2020
Changes in benefit obligations:						
Projected benefit obligations at beginning of year	\$ (351,365,307)	\$(322,354,937)	\$(4,046,357)	\$(4,060,910)	\$(3,143,346)	\$(3,151,251)
Service cost	(1,500,000)	(1,500,000)	-	-	(20,000)	(20,000)
Interest cost	(8,807,235)	(9,916,373)	(67,304)	(103,480)	(65,014)	(86,108)
Benefits paid	10,561,754	8,975,011	406,705	402,974	185,024	180,887
Actuarial gain (loss)	16,230,510	(28,081,063)	302,678	(284,941)	219,711	(83,714)
Expenses paid	<u>1,579,951</u>	<u>1,512,055</u>	-	-	<u>3,709</u>	<u>16,840</u>
Projected benefit obligations at end of year	<u>(333,300,327)</u>	<u>(351,365,307)</u>	<u>(3,404,278)</u>	<u>(4,046,357)</u>	<u>(2,819,916)</u>	<u>(3,143,346)</u>
Changes in plan assets:						
Fair value of plan assets at beginning of year	193,634,925	189,347,537	-	-	2,163,783	2,126,777
Actual return on plan assets	40,943,728	13,874,454	-	-	507,494	155,283
Employer contributions	8,532,117	900,000	406,705	402,974	612,399	79,450
Benefits paid	(10,561,754)	(8,975,011)	(406,705)	(402,974)	(185,024)	(180,887)
Expenses paid	<u>(1,579,951)</u>	<u>(1,512,055)</u>	-	-	<u>(3,709)</u>	<u>(16,840)</u>
Fair value of plan assets at end of year	<u>230,969,065</u>	<u>193,634,925</u>	-	-	<u>3,094,943</u>	<u>2,163,783</u>
Funded status of plan at September 30	<u>\$(102,331,262)</u>	<u>\$(157,730,382)</u>	<u>\$(3,404,278)</u>	<u>\$(4,046,357)</u>	<u>\$ 275,027</u>	<u>\$(979,563)</u>
Amounts recognized in the balance sheets consist of:						
Current liability	\$ -	\$ -	\$ (331,563)	\$ (391,845)	\$ -	\$ -
Noncurrent asset (liability)	<u>(102,331,262)</u>	<u>(157,730,382)</u>	<u>(3,072,715)</u>	<u>(3,654,512)</u>	<u>275,027</u>	<u>(979,563)</u>
	<u>\$(102,331,262)</u>	<u>\$(157,730,382)</u>	<u>\$(3,404,278)</u>	<u>\$(4,046,357)</u>	<u>\$ 275,027</u>	<u>\$(979,563)</u>

The net loss for the defined benefit pension plans that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year is \$5,365,311.

The current portion of accrued pension costs included in the above amounts for the System amounted to \$331,563 and \$391,845 at September 30, 2021 and 2020, respectively, and has been included in accounts payable and accrued expenses in the accompanying balance sheets.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

9. Retirement Benefits (Continued)

The weighted-average assumptions used to determine the defined benefit pension plan obligations at September 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2021	2020	2021	2020	2021	2020
Discount rate	2.81%	2.57%	2.13%	1.77%	2.55%	2.22%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A

The weighted-average assumptions used to determine the defined benefit pension plan net periodic benefit costs for the years ended September 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2021	2020	2021	2020	2021	2020
Discount rate	2.57%	3.12%	1.77%	2.70%	2.22%	2.93%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Expected long-term return on plan assets	6.90%	7.30%	N/A	N/A	6.90%	7.30%

The System expects to make employer contributions totaling approximately \$5.8 million to the Catholic Medical Center Pension Plan for the fiscal year ending September 30, 2022. Expected employer contributions to the Pre-1987 Supplemental Executive Retirement Plan and New Hampshire Medical Laboratories Retirement Income Plan for the fiscal year ending September 30, 2022 are not expected to be significant.

The benefits, which reflect expected future service, as appropriate, expected to be paid for the years ending September 30 are as follows:

	Catholic Medical Center Pension Plan	Pre-1987 Supplemental Executive Retirement Plan	New Hampshire Medical Laboratories Retirement Income Plan
2022	\$10,953,061	\$ 335,076	\$188,475
2023	11,863,419	324,211	189,598
2024	12,580,216	312,275	186,360
2025	13,419,482	299,265	184,761
2026	14,100,027	285,197	182,257
2027 - 2031	79,845,607	1,182,138	852,378

The System contributed \$8,532,117, \$406,705 and \$612,399 to the Catholic Medical Center Pension Plan, the Pre-1987 Supplemental Executive Retirement Plan and New Hampshire Medical Laboratories Retirement Income Plan, respectively, for the year ended September 30, 2021. The System contributed \$900,000, \$402,974 and \$79,450 to the Catholic Medical Center Pension Plan, the Pre-1987 Supplemental Executive Retirement Plan and New Hampshire Medical Laboratories Retirement Income Plan, respectively, for the year ended September 30, 2020. The System plans to make any necessary contributions during the upcoming fiscal 2022 year to ensure the plans continue to be adequately funded given the current market conditions.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

11. Functional Expenses

The System provides general health care services to residents within its geographic location including inpatient, outpatient and emergency care. Expenses related to providing these services are as follows at September 30:

	<u>Healthcare Services</u>	<u>General and Administrative</u>	<u>Total</u>
2021			
Salaries, wages and fringe benefits	\$242,888,323	\$38,632,491	\$281,520,814
Supplies and other	155,847,809	36,628,584	192,476,393
New Hampshire Medicaid enhancement tax	19,248,461	-	19,248,461
Depreciation and amortization	7,038,102	5,967,031	13,005,133
Interest	<u>3,873,113</u>	<u>1,134,583</u>	<u>5,007,696</u>
	<u>\$428,895,808</u>	<u>\$82,362,689</u>	<u>\$511,258,497</u>
2020			
Salaries, wages and fringe benefits	\$232,497,773	\$46,418,801	\$278,916,574
Supplies and other	130,099,534	40,862,275	170,961,809
New Hampshire Medicaid enhancement tax	22,054,486	-	22,054,486
Depreciation and amortization	9,775,267	6,446,667	16,221,934
Interest	<u>3,182,303</u>	<u>1,152,322</u>	<u>4,334,625</u>
	<u>\$397,609,363</u>	<u>\$94,880,065</u>	<u>\$492,489,428</u>

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

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

13. Endowments and Net Assets With Donor Restrictions (Continued)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2020			
Board-designated endowment funds	\$117,950,965	\$ —	\$117,950,965
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	7,342,731	7,342,731
Accumulated investment gains	<u>—</u>	<u>3,340,810</u>	<u>3,340,810</u>
Total endowment net assets	<u>\$117,950,965</u>	<u>\$10,683,541</u>	<u>\$128,634,506</u>

Changes in endowment net assets consisted of the following for the years ended September 30:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance at September 30, 2019	\$110,175,169	\$10,244,891	\$120,420,060
Investment return, net	7,616,628	203,284	7,819,912
Contributions	—	861,295	861,295
Appropriation for operations	—	(466,761)	(466,761)
Appropriation for capital	<u>159,168</u>	<u>(159,168)</u>	<u>—</u>
Balance at September 30, 2020	117,950,965	10,683,541	128,634,506
Investment return, net	23,772,092	1,834,839	25,606,931
Contributions	—	1,338,169	1,338,169
Appropriation for operations	—	(1,046,594)	(1,046,594)
Appropriation for capital	<u>70,304</u>	<u>(70,304)</u>	<u>—</u>
Balance at September 30, 2021	<u>\$141,793,361</u>	<u>\$12,739,651</u>	<u>\$154,533,012</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Medical Center to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2021 or 2020.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

15. Commitments and Contingencies

Litigation

Various legal claims, generally incidental to the conduct of normal business, are pending or have been threatened against the System. The System intends to defend vigorously against these claims. While ultimate liability, if any, arising from any such claim is presently indeterminable, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the financial condition of the System.

Regulatory

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Government activity continues with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations are subject to government review and interpretations as well as regulatory actions unknown or unasserted at this time.

2022
Catholic Medical Center
Board of Trustees

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The Harbor Group

Pamela Diamantis, *Vice Chair*
Curbstone Financial Management Corp

Marie McKay, *Treasurer*
Bigelow & Company

Matthew Kfoury, *Secretary*
K4E Company

John G. Cronin, Esq., *Immediate Past Chair*
Cronin, Bisson & Zalinsky, P.C.

Alexander J. Walker, *ex officio*
President & CEO
Catholic Medical Center

Patricia Furey, MD, *ex officio*
President of CMC Medical Staff
Vein and Vascular Specialists

Derek McDonald, *ex officio*
Bishop's Delegate for Catholic Health
Care, Diocese of Manchester

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Manchester Urology Associates, PA

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Louis I. Fink, MD
New England Heart & Vascular Institute

Robert Gossett
Gossett Consulting, LLC

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New Hampshire Bankers Association

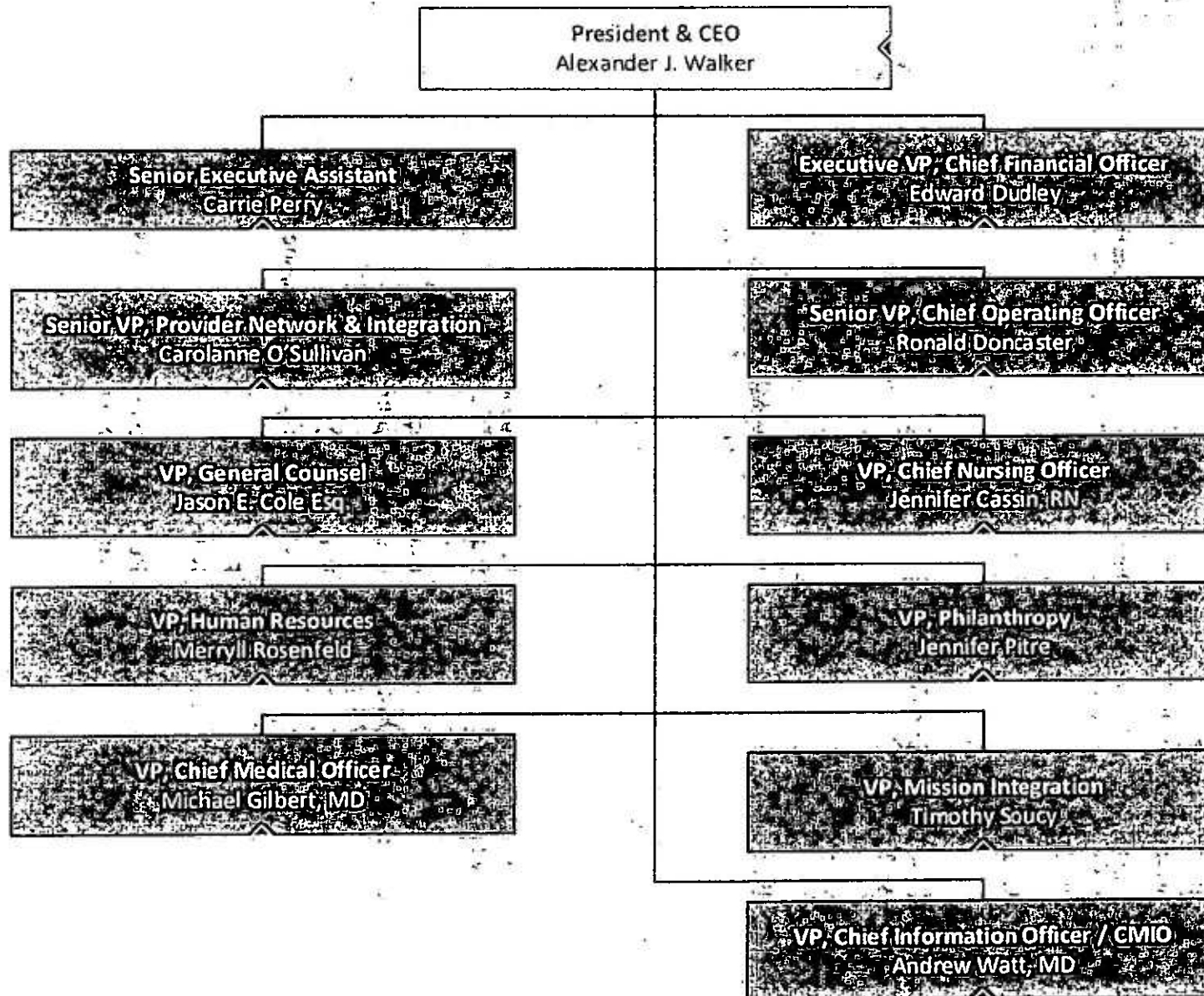
Grace Tung
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William Furlong
St. Anselm College

Rev. Msgr. Anthony Frontiero S.T.D
Saint John's Seminary

Carrie Perry, Sr. Executive Assistant / Board Liaison
603-663-6552 / carric.perry@cmc-nh.org



Alexander J. Walker, Jr.
President & CEO



Alex is the President & CEO, of Catholic Medical Center. Alex joined CMC in 2012, and has served in several roles, including Chief Operating Officer, Senior Vice President for Strategic Development and General Counsel.

Alex has been actively involved in the community for many years. He currently serves on the Board of Trustees of the University System of New Hampshire. He has served as the Chairman of the Board of Trustees of the Palace Theatre. He has also served as past Chairman of the Board of Directors of Granite United Way. He has also served on the New Hampshire Bar Association's Board of Governors, the New Hampshire Supreme Court's Access to Justice Commission, the Board of Directors of City Year – New Hampshire; the Board of Directors of the Business and Industry Association of New Hampshire and Greater Manchester Chamber of Commerce Board of Directors where he served as Chairman of the Board in 2011.

Alex graduated from Northeastern University School of Law, with his juris doctorate. He has a Bachelor of Arts degree, with honors, in English and Political Science from the University of Massachusetts, at Boston. Alex also proudly served for several years in the United States Marine Corps.

Alex is a recipient of the BSA Daniel Webster Council Distinguished Citizen Award, Pastoral Counseling Services Good Samaritan Award, the Harvard Pilgrim Foundation's Community Service Award, the American Hospital Association's Grassroots Champion Award; and the New Hampshire Hospital Association's Leslie A. Smith President's Award. Alex and his family reside in Manchester.



Carolanné O'Sullivan, Senior Vice President of Provider Network Operations & Integration

Ms. O'Sullivan joined CMC in October 1999. She is responsible for the organization's Physician Practice Network as well as the New England Heart & Vascular Institute. Previously she served as Administrative Director for the Department of Obstetrics and Gynecology from 1998 to 1999 at Boston Medical Center, as Practice Manager for Family Medicine from 1997 to 1998 at Boston Medical Center, as Administrator of the Department of Psychiatry at Brown University from 1994 to 1997, as Provider Contracting Administrator at Healthsource New Hampshire from 1992 to 1994, and as Practice Operations Manager at Elliot

Hospital Services from 1988 to 1992.

Ms. O'Sullivan is a Member of the Medical Group Management Association and the American College of Healthcare Executives. She has served on the Board of Trustees for the Greater Manchester Family YMCA, the New England Heart Institute Foundation and on the Executive Leadership Committee for the Go Red for Women Luncheon, she volunteered for the United Way, and as a Religious Education Teacher.

Ms. O'Sullivan received her Master of Business Administration from Providence College (Providence, RI) in 1998 and her Bachelor of Science in Health Administration and Planning from the University of New Hampshire (Durham) in 1985.



Edward ("Ted") Dudley III
Executive Vice President and Chief Financial Officer

Mr. Dudley joined CMC in 2011. He is the CFO for GraniteOne Health, A system of the hospitals Catholic Medical Center (CMC), Huggins Hospital and Monadnock Community Hospital. He currently serves on the Board and Finance/Investment and Audit Committee of Rivier University and New Hampshire Catholic Charities Healthcare Committee. He previously served on the Board of New Hampshire Catholic Charities as the as the Deputy Vice Chair of the Board and Chair on the Investment and Audit Committee.

Prior to joining CMC, he served for four years as Vice President/Chief Financial Officer at Lawrence General Hospital in Lawrence Massachusetts. Prior to that, Mr. Dudley served as Director of Finance and eventually Vice President of Finance at Southern New Hampshire Medical Center in Nashua New Hampshire from 1997- 2007.

Mr. Dudley also worked in several finance leadership roles for Hospital Corporation of America/Quorum Health Resources from 1987- 1997. Mr. Dudley is a Fellow in the Health Care Finance Management Association, has a Master's in Business Administration from Rivier University, New Hampshire and a Bachelor's degree from Ithaca College, New York.



Michael Gilbert, MD, MHCDS
Vice President and Chief Medical Officer

Dr. Gilbert joined CMC in 2020. He oversees the administrative and professional functions of all medical staff services related to physicians, surgeons and advanced practice providers.

Prior to joining CMC, Dr. Gilbert served for four years as the Medical Director of Dartmouth-Hitchcock Concord. He also served as Medical Director of Monadnock Community Hospital Endoscopy Unit from 2013-2020.

Dr. Gilbert obtained a Master's of Health Care Delivery Service from the Tuck School of Business at Dartmouth College, New Hampshire. He received both his Doctorate degree and his Master's in Microbiology and Immunology from Thomas Jefferson University, Pennsylvania. He attended LaSalle University, Pennsylvania and obtained his Bachelors in Biology. Dr. Gilbert also proudly served in the US Navy Reserve Medical Corp. achieving the rank of Commander (O5) from 2012-2015. He has served on the Board of Trustees Catholic Charities NH from 2015-2020.

Vice President Nursing/Chief Nursing Officer

Jennifer Cassin, MS, RN, CNS, CENP



Jennifer Cassin joined Catholic Medical Center in May 2018 as Vice President Nursing/Chief Nursing Officer.

In this role, Jennifer has full accountability for, and oversight of the nursing organization. She advises the senior leadership, the medical staff board and individual clinical facilities and other internal and external groups by providing input regarding the implications of decisions and change on the quality of patient care, on nursing practice, and on nursing care provider. Jennifer develops and ensures a safe and effective patient care environment through participation in institutional planning, product evaluation, and evaluation of new systems and programs that impact nursing care in the organization. Jennifer also provides leadership and direction for the development of strategies to promote the recruitment, retention, and recognition of excellence in Nursing, including but not limited to the oversight and recommendations regarding compensation and benefit programs for the nursing staff.

Jennifer is a results-oriented Nurse Executive with a proven track record of clinical and administrative operational leadership. She was consistently recognized for her ability to improve quality, safety, and patient outcomes and to reduce costs; skilled in organizational needs assessment and execution of redesigns. Jennifer has increased hospital capacity through leading the opening of new units, service lines, and facilities and by optimizing patient flow. She also led organizations through accreditation (TJC), state and federal regulatory reviews, and multiple service line certifications. Known for recruiting, mentoring, and training both management and nursing staff.

Jennifer comes to Catholic Medical Center from a position of VP Peri-Operative Services of Albany Medical Center Hospital. In this role, she reported directly to the Chief Nursing Officer and held full accountability for the perioperative service line in collaboration with the Triad Leadership of Nursing, Anesthesia, and Surgery. Jennifer was also responsible for the effective and efficient delivery of perioperative services on two campuses, 15 direct reports and 650+ FTEs; \$171 million annual operating expense budget.

Prior to that, Jennifer held the position of Interim Chief Nursing Officer at Albany Medical Center Hospital in the absence of a designated CNO. She led the nursing organization with approximately 2900 full-time equivalent staff. She participated as a member of the senior leadership team and represented the nursing organization to the Board of Directors, hospital committees, physician leaders, and many other key partners. As interim CNO, Jennifer responded to unprecedented volume increases by implementing strategies to optimize patient flow and hospital capacity. She also increased bed capacity in the intensive care and medicine units and recruited 50+ FTEs to care for patients in the expanded units.

Prior to these roles, Jennifer held the position of Chief of Patient Services at Bellevue Woman's Hospital, Niskayuna, NY where she reported to the CEO and held executive accountability for all hospital clinical departments.

Jennifer received her AAS, Nursing from Maria College in Albany, NY in 1982, BS, Nursing from Russell Sage College in 1995 in Troy, NY and her MS, Nursing in 2001 from SUNY New Paltz, New Paltz, NY. She also earned her CENP in 2017 from the American Organization of Nurse Executives, Executive Nursing Practice.

Jennifer is currently a member of the American Organization of Nurse Executives and Association of Peri-operative Nurses.



Jason E. Cole, Esq., CPA, MS/MBA, Vice President & General Counsel.

Mr. Cole recently joined CMC as General Counsel in the spring 2017 after serving as outside counsel to CMC since 2006. Prior to joining CMC, Mr. Cole was a shareholder at the law firm of Devine, Millimet & Branch, Professional Association practicing corporate, tax, mergers and acquisitions, non-profit and healthcare law. Mr. Cole was selected as a "Rising Star" by "New England Super Lawyer" from 2011 – 2016 in Tax.

Prior to attending law school, Mr. Cole served as auditor for PricewaterhouseCoopers focusing on financial services and non-profit organizations and subsequently served as the Assistant International Controller at the State Street Corporation.

Mr. Cole is a graduate of Suffolk University Law School, has earned a Master of Science in Accountancy and Master of Business Administration from the Northeastern University Graduate School of Professional Accounting and has earned a Bachelor of Arts from Colgate University.

In addition to his professional and educational experiences, Mr. Cole currently serves on the Board of Directors of the New Hampshire Society of Certified Public Accountants and serves on the Board of Directors of Granite United Way where he has been an active member of the Audit, Finance and Governance Committees. He has served on the Board of Trustees of the Manchester Historic Association earning the 2010 President's Award and in 2013 was a member of the Manchester Union Leader "40 Under 40" class in recognition of his service to non-profit organizations.



Ronald Doncaster
Senior Vice President and Chief Operating Officer

Ron has over twenty-five years of clinical and service operations leadership experience. A dedicated team builder and leader with a history of developing innovative solutions and programs for the improvement and growth of operations, service and people.

Prior to joining CMC Ron served as the National Vice President of Corporate Real Estate and Facilities Operations for Steward HealthCare. His extensive operations experience also includes leadership positions in Partners Health Care in Boston at both a Corporate and local level.

He holds a Master's of Science in Management with a concentration in Health Care Administration from Lesley University in Cambridge, Massachusetts and a Bachelors in Sociology from Fitchburg State College, Massachusetts.

Ron has won two Nationally-recognized awards from Thomson-Reuters Health for innovating margin enhancement programs for hospitals. He is a Fellow of the Advisory Board, Washington D.C. and proudly served in the United States Army National Guard.

TIMOTHY M. SOUCY, MPH

SUMMARY OF QUALIFICATIONS

- Vice President and Senior Leadership Team Member, Catholic Medical Center
- 28-Year Manchester Health Department Employee, 12-Years as Public Health Director
- Recognized Public Health Leader in the City of Manchester and State of New Hampshire
- Experienced in Managing Employees, Budgets and Community Collaborations
- Lifelong Manchester, New Hampshire Resident

EDUCATION

- | | | |
|---|----------|--|
| ▪ Master of Public Health Degree
Boston, Massachusetts | May 1998 | Boston University School of Public Health
Concentration: Environmental Health |
| ▪ Bachelor of Science Degree
Burlington, Vermont | May 1989 | University of Vermont
Major: Biology |

PROFESSIONAL EXPERIENCE

7/22 – Present: Vice President – Mission Integration

7/20 – 7/22: Senior Executive Director – Support Services & Mission, Catholic Medical Center

Catholic Medical Center (CMC) is a nonprofit 330-bed acute-care hospital and regional health system based in Manchester, New Hampshire. The Senior Executive Director of Support Services and Mission oversees the delivery of CMC Support Services including Security, Telecommunications, Patient Transport, Food and Nutrition Services, Environmental Services, Facilities, Safety Officer, as well as Emergency Management and Project Management. In addition, the Senior Executive Director performs the duties of the Executive Director of Community Health & Mission as outlined below.

9/18 – 7/20: Executive Director - Community Health & Mission, Catholic Medical Center

The Executive Director of Community Health & Mission is responsible assessing, evaluating and prioritizing community needs and identifying CMC's role in meeting these needs through the completion on the annual Community Benefit Report and the Community Health Implementation Plan. In addition, the Executive Director manages the delivery of CMC's Community Health Services including Healthcare for the Homeless, Poisson Dental Facility, Medication Assistance Program, Breast and Cervical Cancer Screening Program, Veteran's Care Coordination, 1115 Waiver -Integrated Delivery Network, The Doorway of Greater Manchester, Women's Wellness and Fertility Clinic and the Office of Catholic Identity. The Executive Director rotates as the Administrator on Call for the hospital, serves on multiple hospital committees and acts as a liaison between the hospital and the Community.

12/06 – 8/18: Public Health Director, City of Manchester

The Public Health Director serves as the Chief Administrative Officer for the Manchester Health Department providing administrative oversight to all operations and activities including exclusive personnel responsibility, supervisory authority and budgetary authority. The Public Health Director

TIMOTHY M. SOUCY, MPH

oversees the routine assessment of the health of the community and recommends appropriate policies, ordinances and programs to improve the health of the community. The Public Health Director oversees investigations, communicable disease control, environmental inspections and investigations necessary to protect the public health and is also responsible for the provision of school health services in Manchester. The Public Health Director serves as the CEO of the Manchester Health Care for the Homeless Program (330-h) and has overseen the AmeriCorps VISTA Program and Weed & Seed Strategy.

11/02 – 12/06: Public Health Preparedness Administrator, City of Manchester

In addition to carrying out all of the functions as the Chief of Environmental Health, the Public Health Preparedness Administrator planned, directed and supervised all activities to assure local readiness, interagency collaboration, and preparedness for bioterrorism, outbreaks of infectious disease, and other public health emergencies. The Public Health Preparedness Administrator routinely participated in City Emergency Operations Center activations, sheltering operations and hospital preparedness activities.

08/94 – 11/02: Chief, Division of Environmental Health, City of Manchester

The Chief of Environmental Health planned, directed and supervised all environmental health activities carried out within the City. Evaluated and recommended public health standards, ordinances and legislation. Advised governmental leaders, community representatives, and the general public on environmental health issues. Planned and conducted professional public health training programs. Coordinated epidemiological investigations for specific disease outbreaks. Supervised division staff and evaluated personnel performance.

02/90 - 08/94: Environmental Health Specialist / Sanitarian, City of Manchester

The Environmental Health Specialist / Sanitarian performed duties related to a comprehensive environmental health program, including, but not limited to inspection of food service facilities, investigation of foodborne illnesses, inspection of institutional facilities, swimming pool inspections, indoor air quality investigations, inspections of septic systems, investigation of public health nuisances, and investigation of childhood lead poisoning cases.

HONORS, RECOGNITIONS, APPOINTMENTS AND PRESENTATIONS

- Timothy M. Soucy Day in the City of Manchester, August 31, 2018
- Fellow, Kresge Foundation, Emerging Leader in Public Health, 2017-2018
- Robert Wood Johnson Foundation, Culture of Health Prize Award – City of Manchester, 2016
- Appointee, Network4Health Steering Committee, 2016 –Present
- Appointee, Governor's Advisory Board, State Innovation Model, 2015 –2017
- Graduate, Leadership Greater Manchester, Greater Manchester Chamber of Commerce, 2016
- Friend of Public Health Award, New Hampshire Public Health Association, 2015
- Presenter, NACCHO Survive and Thrive Leadership Graduation, 2013
- Appointee, New Hampshire Health Exchange Advisory Board, 2012 - 2016
- Poster Session, NACCHO Annual Conference, 2010

TIMOTHY M. SOUCY, MPH

- Presenter, NALBOH Annual Conference, 2009
- Presented with Key to the City, Honorable Mayor Frank C. Guinta, 2009
- Vice-Chair, Survive & Thrive Workgroup, NACCHO, 2009 – 2013
- Fellow, Survive & Thrive, National Association of County & City Health Officials, 2008 – 2009
- Guest Lecturer, University of New Hampshire, MPH Program, Law School and Undergraduate Programs, 2006- Present
- Associate, Leadership New Hampshire, Class of 2005
- 40 Under Forty, The Union Leader & Business and Industry Association of NH, Class of 2004
- Appointee, Legislative Study Committee for Public Health and the Environment, 2000-2003
- Inductee, Delta Omega Honor Society, Boston University School of Public Health 1998

COMMUNITY and VOLUNTEER ACTIVITIES

- Member, New Hampshire Guild of Catholic Healthcare Professionals, 2019 - Present
- New Hampshire Charitable Foundation, Manchester Regional Advisory Board , 2019 – Present
- City of Manchester Homeless Task Force, 2019
- Decade Knight, West High School Blue Knight Foundation, 2016 – Present
- Member, Manchester Historic Association, 2016 – Present
- Leadership Greater Manchester Steering Committee, Greater Manchester Chamber of Commerce, 2008 – Present
- Member, 100 Club of New Hampshire, 2008- Present
- Member, Board of Directors, Families in Transition, Housing Benefits, Inc., 2010 – 2019
- Volunteer, Dance Visions Network, 2007 - Present
- Health Department Campaign Coordinator & Leadership Donor, Granite United Way, 2008 – 18
- Member, Greater Manchester Mental Health Center CEO Search Committee, 2015
- Member, Manchester Community Health Center CEO Search Committee, 2013
- Member, Management Team, Manchester Homeless Day Center, 2012 - 2015
- Member, Board of Directors, Mental Health Center of Greater Manchester, 2008 – 2015 (Board Chair 2012-2014)
- Member, Seniors Count Collaborating Council, Easter Seals of New Hampshire, 2006 - 2014
- Member, Board of Directors, New Horizons for New Hampshire, 2004 – 2010 (Board President 2007-2009)
- Coach, Parker Varney Girls Basketball Team, 2004-2005
- Assistant Coach, Rising Stars Recreation Soccer League, 2002
- Assistant Coach, Manchester Angels Recreation Soccer League, 2001-2003
- Member, Advisory Council, Endowment for Health, Inc. 2000-2003
- Assistant Coach, Manchester West Junior Soccer League, 2000-2003
- Assistant Coach, Manchester West Junior Deb Softball League, 2000
- Member, Allocations Committee, United Way of Greater Manchester, 1998-2003

TIMOTHY M. SOUCY, MPH

CITY OF MANCHESTER ACTIVITIES

- Acting Director, City of Manchester Welfare Department, 2018
- Co-Chair, Mayor's Opioid Task Force, 2018
- Mentor, City of Manchester Leadership Academy, 2016 - 2018
- Appointee, City of Manchester 911 Ambulance Review Committee, 2013 - 2018
- Appointee, City of Manchester Enterprise Resource Planning Committee, 2012 – 2018
- Appointee, City of Manchester Labor / Management Committee, 2011 – 2018
- Appointee, City of Manchester Local Emergency Planning Committee, 2011 – 2018
- Appointee, City of Manchester Refugee and Immigrant Integration Task Force, 2010 - 2018
- Appointee, City of Manchester 10-Year Plan to End Homelessness, 2010 - 2018
- Appointee, City of Manchester Quality Council, 2008 – 2018
- Appointee, City of Manchester AFSCME Sick Leave Bank, 2006 - 2018

CATHOLIC MEDICAL CENTER ACTIVITIES

- Millworks Condominium Association 2019 – Present (President 2020 – Present)
- Human Trafficking Committee, 2019- Present
- Behavioral Health Clinical Learning Collaborative, 2019 – Present
- CMC / DH Behavioral Health Integration Committee, 2019 – Present
- CMC Board of Directors, Ethics & Mission Committee, 2018 – Present
- Environment of Care Committee, 2018 – Present
- Cancer Committee, 2018 – Present
- Emergency Management Committee, 2018- Present
- Substance Use Disorder Strategy Group, 2018 – Present
- Wilson Street Condominium Association Board Member, 2018 – Present
- Lung Cancer Steering Committee, 2018 – Present
- POLST Advisory Committee, 2018 – Present
- Preventative Food Pantry Advisory Committee, 2018 – Present
- Ethics Consultative Committee, 2018- Present
- Gift of Heart Campaign 2018 -Present
- Holiday Turkey Distribution 2018 – Present

CONTINUING EDUCATION

- National League of Cities - Mayor's Institute on Opioids, Boston, MA 2018
- CMC's Annual Summit on the Treatment of Opioid-dependent Patients and Pain, 2017, 2018
- 500 Cities: Local Data for Better Health, CDC Foundation, RWJ Foundation, 2016
- Culture of Health Prize Award Learning Event, Robert Wood Johnson Foundation, 2016
- Government Leaders Development Program, Tuck Executive Education at Dartmouth, 2016
- Roadmaps to Health Action Awards Convening, Robert Wood Johnson Foundation, 2016
- New Hampshire Department of Environmental Services, Educational Seminars, 2010 - 2016
- Avoid, Deny, Defend Training, City of Manchester Police Department, 2016

TIMOTHY M. SOUCY, MPH

- Culture and Cultural Effectiveness, Southern New Hampshire AHEC, 2015
- American Public Health Association Annual Meeting, Boston, MA, 2013
- Reasonable Suspicion Supervisory Training, City of Manchester Human Resources, 2010
- ICS 300, MGT 313, Incident Management/Unified Command, Texas A&M, 2008
- MGT -100 WMD Incident Management/Unified Command Concept, Texas A&M, 2008
- ICS 100, ICS 200, US Department of Homeland Security, 2008
- Bi-State Primary Care Association, Primary Care Conference, 2007
- Public Health Preparedness Summit, National Association of City & County Health Officials, 2006
- National Incident Management Systems (NIMS), US Department of Homeland Security, 2005
- Healthcare Leadership & Administrative Decision-Making in Response to Weapons of Mass Destruction (WMD) Incidents, US Federal Emergency Management Agency, 2004
- Forensic Epidemiology, US Department of Justice & US Centers for Disease Control, 2003
- BioDefense Mobilization Conference, University of Washington, School of Public Health, 2002
- Emergency Response to Domestic Biological Incidents, US Department of Justice & LSU, 2001
- Financial Skills for Non-Financial Managers, University of New Hampshire, 2001
- National Environmental Health Association Annual Education Conference, NEHA, 2000
- Management Perspectives for Public Health Practitioners, US Centers for Disease Control, 2000
- Investigating Foodborne Illnesses, US Food & Drug Administration, 1999
- Environmental Health Risks to Children, US Environmental Protection Agency, 1998
- Food Microbiological Control, US Food & Drug Administration, 1998
- Computer Assisted Modeling for Emergency Operations, Harvard School of Public Health, 1997
- Local Radon Coordinators Network Training, NACCHO, 1996
- Introduction to Indoor Air Quality, US EPA & Harvard University, 1995
- Hazard Analysis & Critical Control Point (HACCP), US Food & Drug Administration, 1995
- Safety Measurement, Bloodborne Pathogens, Confined Space Entry, UNH, 1994
- Environmental Health Sciences, US Centers for Disease Control & Prevention, 1992
- Field Description of Soils, University of New Hampshire, 1992
- Kentucky Lead Training Workshop, Jefferson County Health Department, 1991
- Foodborne Disease Control, US Centers for Disease Control & Prevention, 1991
- Lead Paint Inspectors Course, PCG PRO-Tech Services, Massachusetts, 1990

Jennifer Higgins Pitre

~~1200 Main St~~ Kingston, NH 03848

Work 603.665.2569 • ~~Cell 603-702-0499~~ • ~~jennifer.higgins@cmh.com~~

SUMMARY

Dynamic and enthusiastic professional with 27 years of fundraising experience in healthcare, higher education and social services with an expertise in major gifts. Strong track record of creating authentic relationships with colleagues, donors, and advisors. Takes pride - and much enjoyment - in helping donors achieve their philanthropic dreams. Possesses excellent verbal and written communication skills.

EXPERIENCE

Vice President of Philanthropy

*Catholic Medical Center
Manchester, NH*

November 2017 to Present

Catholic Medical Center (CMC) is a nonprofit acute-care hospital and regional health system with 3,000 employees. Recruited to build a "culture of philanthropy" by working with the Board, Senior Leadership, providers, staff and volunteers. Accomplishments include:

- Growing annual fundraising by more than 50% through individual and foundation giving, special events, and employee giving
- Conducting a comprehensive campaign planning study and launching the "Building with Heart Campaign" in 2019, successfully raising over \$22 million, including a \$15 million gift and multiple six and seven-figure gifts
- Creating a grateful patient program, resulting in a 20% increase in donor acquisition
- Revamping the organization's Volunteer Services department and significantly improving volunteer and staff engagement and satisfaction
- Developing unique and meaningful donor stewardship opportunities and cultivation events

Vice President of Development

*Granite United Way
Offices in Manchester, Concord, Lebanon, Berlin,
Plymouth, Littleton, Laconia, and Portsmouth, NH*

February 2008 to November 2017

Managed 15 regional staff in the Development department of New Hampshire's largest United Way, raising over \$12 million annually. Grew the organization's Leadership Giving Society (gifts of \$1,000 - \$9,999) from 900 to nearly 1,200 supporters and the "Alexis de Tocqueville Society" (gifts of \$10,000 or more) from 48 to 75 donors.

Other achievements and responsibilities:

- Increased the number of corporate donors through creative campaigns including a "Get on the Bus" matching gift challenge that recruited 50 new corporate donors in two years
- Managed the President's portfolio and created donor correspondence and major gift proposals
- Oversaw the organization's first wealth screening, developed prioritization strategies, and managed all prospect research and moves management meetings

Senior Associate Director of Major Gifts

*University of New Hampshire Foundation, Inc.
Durham, NH*

April 2002 to January 2008

Hired as an Associate Director during "The Next Horizon: \$100 Million for UNH" campaign and promoted to Senior Associate Director. Traveled extensively to communicate University initiatives to corporate and individual stakeholders. Managed a portfolio of 200+ prospects - cultivated, solicited and stewarded outright and planned gifts of \$25,000 or more. Served as a mentor to new major gift staff. Collaborated with the President and Senior Leaders to develop effective fundraising and stewardship plans.

Vice President, Marketing & Communications

***United Way of Merrimack Valley, Inc.
Ward Hill, MA***

December 1998 to April 2002

Hired as a Communications Specialist and promoted to Vice President in 2000. Responsible for the development and implementation of a year-round marketing and communications program to support a \$5.1 million campaign. Successfully developed content, delivered compelling donor communications and created the organization's first website. Also managed key corporate donor relationships.

Training & Community Relations Manager

***Walmart Logistics
Raymond, NH***

June 1996 to December 1998

Completed a comprehensive three month management training program and successfully managed 40 employees as a Receiving Manager and was promoted to facility Training Manager in 1997. Received additional management training at the corporate headquarters in Bentonville, Arkansas. Also responsible for community relations, allocating corporate donations, and coordinating internal charitable initiatives including the United Way campaign.

**TEACHING &
ADVISING**

***Adjunct Faculty
University of New Hampshire
Durham, NH***

September 2005 to May 2011

Taught an "Introduction to Business" course to 25 undergraduates which provided an overview of accounting, business administration, public speaking, management, marketing, computer information systems, entrepreneurship and corporate social responsibility.

***Fundraising Advisor
Simmons College
Boston, MA***

September 2007 to May 2012

Served as a subject matter expert for Dr. Claudia Morner's, "Academic Libraries" graduate course. Instructed students how to create compelling major gift proposals.

EDUCATION

Master of Business Administration	University of New Hampshire	2005
Bachelor of Arts in Communication	University of New Hampshire	1995

**COMMUNITY
& LEADERSHIP**

Member, Bedford, NH Rotary Club	2020 – Present
Member, UNH Entrepreneurship Center Advisory Board	2018 – Present
Member, Camp Huckins Development Committee	2018 – Present
Member, UNH Manchester Advisory Board	2018 – Present
Legislative Liaison, National Alopecia Areata Foundation	2013 – Present
Founder, Gina Trafton Memorial Scholarship	2020 – Present
Member, UNH Alumni Association Board of Directors (2 terms)	2012 – 2018
Leadership New Hampshire Graduate – Class of 2017	2016 – 2017

Andrew H Watt, MD FACEP

Andrew.watt@cmc-nh.org

Professional Summary

Information Technology Physician Executive

A strategic, thought-leading IT Physician Executive, Chief Information Officer (CIO), and Chief Medical Information Officer (CMIO) with experience managing all components of the IT division for a New Hampshire Health System. Knowledgeable working in multi-hospital environments with independent and affiliated multi-specialty provider groups across southern New Hampshire. Proven business executive with 14 years' experience of better than budget performance, low turnover rate, advanced automation, and smart strategic growth. Influential leader within the State of New Hampshire on informatics topics such as population health, information exchange, behavioral health, integration, health care/privacy law, and the opioid crisis.

Continues to provide clinical care to the patients of New Hampshire in practice of Emergency Medicine.

Core Skills

- Clinically active board-certified Emergency Physician
- More than 10 years' experience working as a Chief Information Officer (CIO)
- Held dual appointments as CIO and CMIO
- Experience with multi-hospital health systems
- EMR Vendors & Products including Soarian, Cerner, Allscripts, and Epic
- Success leading IT governance in complex matrixed systems
- Aligning technology, information security, and business strategy
- Building effective teams and individuals' talents
- Operating complex business units on a budget
- Implementing and managing technology and organizational initiatives
- Engaging stakeholders and customers
- Negotiating and managing complex vendor relationships & contracts
- Cyber security and compliance
- Telehealth technology implementation
- Leading large EMR and software projects
- Certified Epic Physician Builder
- Physician Leadership

Professional Experience

Granite One Health (GOH) – Catholic Medical Center (CMC)

A \$750-million Health System Network based entirely in New Hampshire. Partners include Huggins Hospital, Monadnock Community Hospital, and Catholic Medical Center (CMC). The system employees more than 4000 people, 950 physicians, and operates more than 380 inpatient beds. The flagship site in the group, CMC located in Manchester, New Hampshire, is a 350-bed acute care hospital with a 700 provider medical staff.

Chief Information Officer (CIO), Chief Medical Information Officer (CMIO), Vice President Information Services (IS), Catholic Medical Center 08/2021-Present.

Responsible for all aspects of Information Technology and Clinical Engineering at CMC. Also responsible for supporting GOH's enterprise network which serves a common application ERP and EMR portfolio across CMC and Huggins Hospital. Working to modernize, stabilize, and uplift the current technical infrastructure. Within one year, led successful project to increase performance in some areas of the EMR by over 25%. Improved EMR stability by 40% including changes to voice recognition tools via partnership with the vendor. This new version introduced specifically for CMC welcomed major improvements in word recognition making the product widely re-accepted by providers. Experience working with multiple complex products and vendors including Kronos, Oracle Cloud, and Allscripts Sunrise Enterprise (Ambulatory/Inpatient/Rev Cycle). As CMIO, I continue to practice Emergency Medicine in CMC's main ED and I serve on CMC's Medical Staff.

Tegria - Cumberland Consulting Group

A leading healthcare consulting and strategic advisory firm founded in 2004. Consistently rated in the KLAS top 10 for HIT Enterprise Implementation Leadership services. Known for offering vendor agnostic full lifecycle healthcare software advisory services and partial specialized health IT outsourcing.

Leadership Physician Consultant, 12/2020 – 7/2022

Provide strategic consultation and implementation advice to healthcare executives (CMIO/CMO/CIO) in organizations contracting, implementing, or considering transitioning EMR solutions. Subject matter expert on clinical workflows and physician tools within the Epic EMR. Have advised executives from health systems using or moving to Allscripts, Epic, and Cerner.

SolutionHealth (SH), Bedford, New Hampshire

Southern New Hampshire Health (SNHH) and Elliot Health System (EHS) merged to form a new \$1B corporate parent to both health systems, called SolutionHealth. The organization is focused on providing scale, high value, and specialty health care to the residents of New Hampshire and northern Massachusetts. As a condition of the merger, all Information Technology and Systems became a function of SolutionHealth.

Chief Information Officer (CIO), Vice President Division of Technology and Information Services (DOT.IS) for Southern New Hampshire Health, SolutionHealth 05/2019-12/2020.

Managed several combined teams of more than 100 people working to refuel (re-implement) Epic EMR to latest release and implemented Epic at Southern New Hampshire Health using SolutionHealth's Epic enterprise license. In addition to this \$50M implementation, led teams consolidating application and infrastructure portfolios as well as deploying new corporate budget and financial systems. Continued to manage all Southern New Hampshire IT budgets in this new matrixed corporate environment. Reported to SNHH CEO and triad division leadership with SH Corporate CIO and EHS CIO. Key responsibilities included Informatics, Training, Data Analytics, Regional Integrated Delivery Network/ACO, and Infrastructure.

Continue to practice medicine as a staff physician in the Emergency Department of Southern New Hampshire Health.

Attending Physician, Emergency Services, SolutionHealth – Southern New Hampshire Medical Center Emergency Department, 08/08-Present. Now Per Diem

Experienced board-certified ED physician working in ~45K patient per year department. Currently cares for patients of all ages in the Medical Center (trauma (level-3), stroke (gold), and cardiac reperfusion center). Credentialed in bedside ultrasound for ED skills such as trauma and vascular access. Diagnose and treat numerous conditions in patients presenting with minor ailments to those requiring critical care

and life support. Works with medical students (UNE) and PA students (MGH-Harvard) as a supervisor during shifts. Great relationships with colleagues and nursing staff. Completes records in a timely manner and has high patient satisfaction scores.

After leaving Southern New Hampshire Health, I was asked to remain on the medical staff. I continue to retain full clinical privileges.

Southern New Hampshire Health, Nashua, New Hampshire

A \$400M New Hampshire Health System comprised of the Medical Center and Foundation Medical Partners, the largest multi-specialty provider group in New Hampshire.

Chief Information Officer (CIO), Chief Medical Information Officer (CMIO), Vice President Information Technology and Services (ITS), 09/2009-05/2019 (transitioned with merger).

Provided strategic and operational management of all information technology systems. Managed a budget of more than \$14M in expenses and acquired more than \$1M of new hardware and technologies annually. Supervised a team of more than 60 people supporting more than 2000 end-point devices, 300 applications including Cerner and GE EMRs, and 2500 end-user customers. Worked to acquire and independently license Epic for the organization before the merger. Leader in major EMR conversion at SNHH to Epic. Reported to the CEO and served as executive on both the System and Medical Center Senior Management teams.

Selected Accomplishments

- Created a single IT organization at the Health System by consolidating the Medical Center's technology team, the nursing clinical informatics team, and the Foundation Medical Partners IT and EMR implementation groups.
- Developed an initiative focused on adopting best practices. Led to SNHH being recognized as a technical leader among hospitals within New Hampshire and received the nationally recognized 2017 Most Wired Award.
- Supported customer service focused leadership by providing IT staff-specific service excellence training, introducing innovative applications to improve project transparency and by promoting a culture which encouraged soliciting feedback at all levels.
- Led implementations of CMS certified EMR technology generating more than \$1M in annual incentives payments and avoided reimbursement penalties in the MIPS/MU/PIP programs.
- Introduced new security technologies, developed and promoted risk awareness and education leading to a phishing susceptibility risk of < 2%.
- Conducted EMR replacement vendor RFP/RFI process including stakeholder demonstrations and vendor contract negotiations with Cerner and Epic.
- Effectively managed vendor expenses, resulting in IT expense < 5% of Health System expenses.
- Negotiated key technology and software contracts including multi-year multi-million-dollar engagements with Microsoft and Cerner.

Chief Medical Information Officer (CMIO), Associate Vice President of Medical Affairs for Informatics, 09/2008-09/2009

- Continued this role concurrently after being named the System's CIO.
- Worked on the clinical aspects of technology projects. For example, made recommendations to the CIO regarding strategic software acquisitions; championed technology projects to improve patient safety and care quality.

- Developed agreements with Foundation Medical Partners and other local health care organizations, such as the Lahey Clinic, to allow providers real-time view-only access into their EMRs, to improve patient care and safety.
- Introduced "IT rounding", a concept like clinical rounds where IT leaders meet with hospital clinical staff to get feedback, and to inspect equipment for overall health and function.

Johns Hopkins Medicine and Institutions (JHMI), Baltimore, Maryland

Internationally recognized medical college, university, and academic health system with 6 hospitals and 4 community health and surgical centers. The main medical campus located in downtown Baltimore is the home of Johns Hopkins Hospital, a 1,154-bed academic medical center recognizing over \$2.5 billion dollars in annual revenue.

Chief Resident, Emergency Medicine, Johns Hopkins Hospital, 07/07-06/08

Managed 35 ED physicians in training, and rotating interns and residents from other specialties. Elected the Emergency Medicine Residents' Association (EMRA) representative for the Johns Hopkins System. EMRA is a national group advocating for physicians in training.

MEDITECH, Medical Information Technologies, Inc., Westwood, Massachusetts

A privately held EMR vendor, reporting \$481M in revenue last year, with approximately 25% of the US market share. Meditech supports several application platforms across 2400 customers in the US and 22 other countries.

Senior Application Specialist for Product Development, 8/1999-8/2001.

Managed a product development team which designed a new [software] module for use in Emergency Departments. The module was cited by Becker's in 2015 as the leader in market share of the ~\$600M EDIS market. One of Meditech's most successful new modules, it was the first to introduce prescription printing, patient tracking, and a visual display of patients.

Education and Board Certifications Board

Certifications:

- ABEM – Emergency Medicine, 2009 (exp 2029)
- ABPM-CI – Clinical Informatics, 2016 (exp 2026)

Education:

- Emergency Medicine Residency, Johns Hopkins Hospital, Baltimore, Maryland 7/05-6/08
- Medical Doctorate, University of Massachusetts, School of Medicine, Worcester, Massachusetts 8/01-6/05
- Bachelor of Arts, *cum laude*, College of the Holy Cross, Worcester, Massachusetts 8/94-6/98

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

ampshire Revised Statutes Annotated Chapter RSA 151, this annual license certificate is issued to:
L CENTER
TREET
03102

Subtype: General

ffective under the conditions and for the period stated below:

Expiration Date: 12/31/2022

ER, JR
T



Chief Legal Officer

**CENTERS FOR MEDICARE & MEDICAID SERVICES
CLINICAL LABORATORY IMPROVEMENT AMENDMENTS
CERTIFICATE OF ACCREDITATION**

LABORATORY NAME AND ADDRESS
CATHOLIC MEDICAL CENTER LABORATORY
100 MCGREGOR STREET
MANCHESTER, NH 03102

CLIA ID NUMBER
30D0993032

EFFECTIVE DATE

04/23/2022

EXPIRATION DATE

04/22/2024

LABORATORY DIRECTOR

WELDON SANFORD, M.D.

Pursuant to Section 353 of the Public Health Services Act (42 U.S.C. 263a) as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above named laboratory located at the address shown hereon (and other approved locations) may accept human specimens for the purposes of performing laboratory examinations or procedures.

This certificate shall be valid until the expiration date above, but is subject to revocation, suspension, limitation, or other sanctions for violation of the Act or the regulations promulgated thereunder.



Monique Spruill
Monique Spruill, Director
Division of Clinical Laboratory Improvement & Quality
Quality & Safety Oversight Group
Center for Clinical Standards and Quality

20 CMS2_032922

If you currently hold a Certificate of Compliance or Certificate of Accreditation, below is a list of the laboratory specialties/subspecialties you are certified to perform and their effective date:

<u>LAB CERTIFICATION (CODE)</u>	<u>EFFECTIVE DATE</u>	<u>LAB CERTIFICATION (CODE)</u>	<u>EFFECTIVE DATE</u>
BACTERIOLOGY (110)	04/23/2002	ANTIBODY TRANSFUSION (620)	04/23/2002
MYCOBACTERIOLOGY (115)	03/05/2019	ANTIBODY NON-TRANSFUSION (530)	04/23/2002
MYCOLOGY (120)	04/23/2002	ANTIBODY IDENTIFICATION (540)	04/23/2002
PARASITOLOGY (130)	04/23/2002	COMPATIBILITY TESTING (550)	04/23/2002
VIROLOGY (140)	08/03/2002	HISTOPATHOLOGY (610)	11/13/2007
SYPHILIS SEROLOGY (210)	08/09/2007	CYTOLOGY (630)	12/22/2009
GENERAL IMMUNOLOGY (220)	04/23/2002	CYTOGENETICS (900)	12/14/2015
ROUTINE CHEMISTRY (310)	04/23/2002		
URINALYSIS (320)	04/23/2002		
ENDOCRINOLOGY (330)	04/23/2002		
TOXICOLOGY (340)	04/23/2002		
HEMATOLOGY (400)	04/23/2002		
ABO & RH GROUP (510)	04/23/2002		

FOR MORE INFORMATION ABOUT CLIA, VISIT OUR WEBSITE AT WWW.CMS.GOV/CLIA
OR CONTACT YOUR LOCAL STATE AGENCY. PLEASE SEE THE REVERSE FOR
YOUR STATE AGENCY'S ADDRESS AND PHONE NUMBER.

Catholic Medical Center

Manchester, NH

has been Accredited by




The Joint Commission

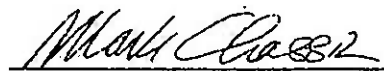
Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

August 15, 2020

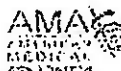
Accreditation is customarily valid for up to 36 months.


Jane English, PhD, RN, CHNP, FAAN
Chair, Board of Commissioners

ID #5467
Print/Reprint Date: 04/17/2021


Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.





959/201
 1:1 CATHOLIC MEDICAL CENTER HOSP
 2: 100 MCGREGOR ST
 MANCHESTER, NH 03102-3730



DEA REGISTRATION NUMBER	THIS REGISTRATION EXPIRES	FEE PAID
AN0443060	08-31-2023	\$731
SCHEDULES	BUSINESS ACTIVITY	ISSUE DATE
2,2N, 3,3N,4,5	HOSPITAL/CLINIC-COLLECTOR	07-28-2020
CATHOLIC MEDICAL CENTER HOSP PHARMACY DEPARTMENT 100 MCGREGOR ST MANCHESTER, NH 03102-3730		

CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE
 UNITED STATES DEPARTMENT OF JUSTICE
 DRUG ENFORCEMENT ADMINISTRATION
 WASHINGTON D.C. 20537

Sections 304 and 1008 (21 USC 824 and 958) of the Controlled Substances Act of 1970, as amended, provide that the Attorney General may revoke or suspend a registration to manufacture, distribute, dispense, import or export a controlled substance.

THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF OWNERSHIP, CONTROL, LOCATION, OR BUSINESS ACTIVITY, AND IT IS NOT VALID AFTER THE EXPIRATION DATE.

CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE
 UNITED STATES DEPARTMENT OF JUSTICE
 DRUG ENFORCEMENT ADMINISTRATION
 WASHINGTON D.C. 20537

DEA REGISTRATION NUMBER	THIS REGISTRATION EXPIRES	FEE PAID
AN0443060	08-31-2023	\$731
SCHEDULES	BUSINESS ACTIVITY	ISSUE DATE
2,2N, 3,3N,4,5	HOSPITAL/CLINIC-COLLECTOR	07-28-2020
CATHOLIC MEDICAL CENTER HOSP PHARMACY DEPARTMENT 100 MCGREGOR ST MANCHESTER, NH 03102-3730		

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American College of Radiology

PET Services of

Catholic Medical Center

**100 McGregor Street
Manchester, New Hampshire 03102**

were surveyed by the
Committee on Nuclear Medicine Accreditation of the
Commission on Quality and Safety

The following unit was approved

Siemens Biograph Horizon 2020

For

Oncology, Cardiac

Accredited from:

October 14, 2020 through June 12, 2023

A handwritten signature in black ink, appearing to read "Marc A. Seltzer".

CHAIR, COMMITTEE ON NUCLEAR MEDICINE ACCREDITATION

A handwritten signature in black ink, appearing to be the signature of the President of the American College of Radiology.

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY



Catholic Medical Center

ing been assessed by AABB, has been found to meet the requirements applicable Standards of this organization and therefore is granted this

CIFICATE OF ACCREDITATION

for the following activities:

Transfusion Activities

itness whereof the undersigned, being duly authorized, have caused this Certificate to be issued and the AABB Corporate Seal to be affixed.

Effective Dates:

July 01, 2022 - June 30, 2024

A handwritten signature in cursive script that reads 'Dana Devine'.

President, AABB

A handwritten signature in cursive script that reads 'P. Raymond Boye Jr.'.

Chair, Accreditation Program Conimittee

FHSYSTEM

:022

Medical Information Officer
r

Network & Integration
er

s
on

Alex Walker	\$ 643,750.00	
Ted Dudley	\$ 502,657.82	
Ron Doncaster	\$ 369,526.00	
Andrew Watt	\$ 412,000.00	
Jennifer Cassin	\$ 284,064.88	
Jason Cole	\$ 338,391.00	
Carolanne O'Sullivan	\$ 369,490.00	
Michael Gilbert	\$ 554,268.75	
Jennifer Pitre	\$ 214,593.00	
Merryll Rosenfeld	\$ 285,035.00	(Termed 9/23/2022)
Tim Soucy	\$ 185,000.00	

NH DEPARTMENT OF CORRECTIONS
ADMINISTRATIVE RULES

Cor 307 Items Considered Contraband. Contraband shall consist of:


- a) Any substance or item whose possession is unlawful for the person or the general public possessing it including but not limited to:
 - (1) narcotics
 - (2) controlled drugs or
 - (3) automatic or concealed weapons possessed by those not licensed to have them.
- b) Any firearm, simulated firearm, or device designed to propel or guide a projectile against a person, animal or target.
- c) Any bullets, cartridges, projectiles or similar items designed to be projected against a person, animal or target.
- d) Any explosive device, bomb, grenade, dynamite or dynamite cap or detonating device including primers, primer cord, explosive powder or similar items or simulations of these items.
- e) Any drug item, whether medically prescribed or not, in excess of a one day supply or in such quantities that a person would suffer intoxication or illness if the entire available quantity were consumed alone or in combination with other available substances.
- f) Any intoxicating beverage.
- g) Sums of money or negotiable instruments in excess of \$100.00.
- h) Lock-picking kits or tools or instruments on picking locks, making keys or obtaining surreptitious entry or exit.
- i) The following types of items in the possession of an individual who is not in a vehicle, but shall not be contraband stored in a secured vehicle:
 - (1) knives and knife-like weapons, clubs and club-like weapons,
 - (2) tobacco, alcohol, drugs including prescription drugs unless prior approval is granted in writing by the facility Warden/designee, or Director/designee,
 - (3) maps of the prison vicinity or sketches or drawings or pictorial representations of the facilities, its grounds or its vicinity,
 - (4) pornography or pictures of visitors or prospective visitors undressed,
 - (5) radios capable of monitoring or transmitting on the police band in the possession of other than law enforcement officials,
 - (6) identification documents, licenses and credentials not in the possession of the person to whom properly issued,
 - (7) ropes, saws, grappling hooks, fishing line, masks, artificial beards or mustaches, cutting wheels or string rope or line impregnated with cutting material or similar items to facilitate escapes,
 - (8) balloons, condoms, false-bottomed containers or other containers which could facilitate transfer of contraband.

COR 307.02 Contraband on prison grounds is prohibited. The possession, transport, introduction, use, sale or storage of contraband on the prison grounds without prior approval of the commissioner of corrections or his designee is prohibited under the provision of RSA 622:24 and RSA 622:25.

COR 307.03 Searches and Inspections Authorized.

- a) Any person or property on state prison grounds shall be subject to search to discover contraband...
Travel onto prison grounds shall constitute implied consent to search for contraband. In such cases where implied consent exists, the visitor will be given a choice of either consenting to the search or immediately leaving the prison grounds. Nothing in this rule however, prevents non-consensual searches in situations where probable cause exists to believe that the visitor is or had attempted to introduce contraband into the prison pursuant to the law of New Hampshire concerning search, seizure and arrest.
- b) All motor vehicles parked on prison grounds shall be locked and have the keys removed. Custodial personnel shall check to insure that vehicles are locked and shall visually inspect the plain view interior of the vehicles. Vehicles discovered unlocked shall be searched to insure that no contraband is present. Contraband discovered during searches shall be confiscated for evidence, as shall contraband discovered during plain view inspections.
- c) All persons entering the facilities to visit with residents or staff, or to perform services at the facilities or to tour the facilities shall be subject to having their persons checked. All items and clothing carried into the institution shall be searched for contraband.

Alex Walker, President
Name


Signature

1-31-2023
Date

NH DEPARTMENT OF CORRECTIONS
RULES OF CONDUCT FOR PERSONS PROVIDING CONTRACT SERVICES

1. Engaging in any of the following activities with persons under departmental control is strictly prohibited:
 - a. Any contact, including correspondence, other than the performance of your services for which you have been contracted.
 - b. Giving or selling of anything
 - c. Accepting or buying anything
2. Any person providing contract services who is found to be under the influence of intoxicants or drugs will be removed from facility grounds and barred from future entry to NH Department of Corrections property.
3. Possession of any item considered to be contraband as defined in the New Hampshire code of Administrative Rules, Part COR 307 is a violation of the rules and the laws of the State of New Hampshire and may result in legal action under RSA 622:24 or other statutes.
4. In the event of any emergency situation, i.e., fire, disturbance, etc., you will follow the instructions of the escorting staff or report immediately to the closest available staff.
5. All rules, regulations and policies of the NH Department of Corrections are designed for the safety of the staff, visitors and residents, the security of the facility and an orderly flow of necessary movement and activities. If unsure of any policy and procedure, ask for immediate assistance from a staff member.
6. Harassment and discrimination directed toward anyone based on sex, race, creed, color, national origin or age are illegal under federal and state laws and will not be tolerated in the work place. Maintenance of a discriminatory work environment is also prohibited. Everyone has a duty to observe the law and will be subject to removal for failing to do so.
7. During the performance of your services you are responsible to the facility administrator, and by your signature below, agree to abide by all the rules, regulations, policies and procedures of the NH Department of Corrections and the State of New Hampshire.
8. In lieu of Contracted staff participating in the Corrections Academy, the Vendor through the Commissioner or his designees will establish a training/orientation facilitated by the Vendor to supplement this requirement and appropriate orient Vendor staff to the rules, regulations, policies and procedures of the Department of Corrections and the State of New Hampshire.

Alex Walker, President
Name


Signature

1.31.2023
Date

NH DEPARTMENT OF CORRECTIONS
CONFIDENTIALITY OF INFORMATION AGREEMENT

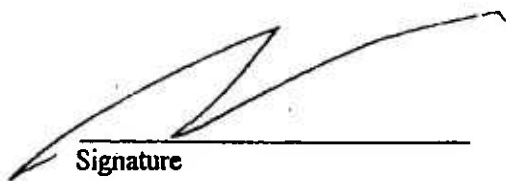
I understand and agree that all employed by the organization/agency I represent must abide by all rules, regulations and laws of the State of New Hampshire and the NH Department of Corrections that relate to the confidentiality of records and all other privileged information.

I further agree that all employed by or subcontracted through the organization I represent are not to discuss any confidential or privileged information with family, friends or any persons not professionally involved with the NH Department of Corrections. If inmates or residents of the NH Department of corrections, or, anyone outside of the NH Department of Corrections' employ approaches any of the organization's employees or subcontractors and requests information, the staff/employees of the organization I represent will immediately contact their supervisor, notify the NH Department of Corrections, and file an incident report or statement report with the appropriate NH Department of Corrections representative.

Any violation of the above may result in immediate termination of any and all contractual obligations.

Alex Walker, President

Name



Signature

1-31-2023

Date

NH DEPARTMENT OF CORRECTIONS
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164. 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. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

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

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

d. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.

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

f. "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.

g. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

h. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.

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

j. "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.

k. 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.

(2) 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, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do 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 immediately notify Business Associate 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 on the 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. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, of which it becomes aware, within two (2) business days of becoming aware of such unauthorized use or disclosure or security incident.

b. Business Associate shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of protected health information, in electronic or any other form, that it creates, receives, maintains or transmits under this Agreement, in accordance with the Privacy and Security Rules, to prevent the use or disclosure of PHI other than as permitted by the Agreement.

c. 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.

d. 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)b and (3)k herein. 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 provision #13 of this Agreement for the purpose of use and disclosure of protected health information.

e. 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.

f. 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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 standard provision #10 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, as 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 and 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.

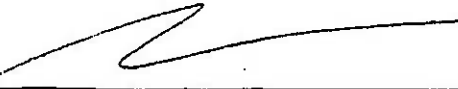
f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3.d and standard contract provision #13, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT.

NH Department of Corrections
State of New Hampshire Agency Name

Catholic Medical Center
Contractor Name


Signature of Authorized Representative


Contractor Representative Signature

Helen Hanks
Authorized DOC Representative Name

Alex Walker
Authorized Contractor Representative Name

Commissioner
Authorized DOC Representative Title

President
Authorized Contractor Representative Title

3/17/2023
Date

1-31-2023
Date



STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF ADMINISTRATION
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HELEN E. HANKS
COMMISSIONER

JONATHAN K. HANSON
DIRECTOR

PRISON RAPE ELIMINATION ACT

ACKNOWLEDGEMENT FORM

The Prison Rape Elimination Act (PREA) of 2003 (with Final Rule August 2012) is a federal law established to address the elimination and prevention of sexual assault and sexual harassment within correctional systems and detention facilities. This Act applies to all correctional facilities, including prisons, jails, juvenile facilities and community corrections residential facilities. PREA incidents involve the following conduct:

- Resident-on-resident sexual assault
- Resident-on-resident abusive sexual contact
- Staff sexual misconduct
- Staff sexual harassment, assault of a resident

The act aimed to curb prison rape through a "zero-tolerance" policy, as well as through research and information gathering. The NH Department of Corrections has zero tolerance relating to the sexual assault/rape of offenders and recognizes these offenders as crime victims. Due to this recognition and adherence to the federal Prison Rape Elimination Act (PREA) of 2003, the NH Department of Corrections extends the "zero tolerance" to the following:

- Contractor/subcontractor misconduct
- Contractor/subcontractor harassment, assault of a resident

As a Contractor and/or Subcontractor of the NH Department of Corrections, I acknowledge that I have been provided information on the Prison Rape Elimination Act of 2003 Public Law 108-79—Sept. 4, 2003 and have been informed that as a Contractor and/or Subcontractor of the NH Department of Corrections, sexual conduct between Contractor and/or Subcontractor and offenders is prohibited. Sexual harassment or sexual misconduct involving an offender can be a violation of NH RSA 632-A:2, 632-A:3 and 632-A:4, Chapter 632-A: Sexual Assault and Related Offenses, and result in criminal prosecution.

As a Contractor and/or Subcontractor of the NH Department of Corrections, I understand that I shall inform all employees of the Contractor and/or Subcontractor to adhere to all policies concerning PREA, RSA 632-A:2, RSA 632-A:3, RSA 632-A:4 and departmental policies including NHDOC Administrative Rules, Conduct and Confidentiality Information regarding my conduct, reporting of incidents and treatment of those under the supervision of the NH Department of Corrections. (Ref. RSA Chapter 632-A, and Administrative Rules, Rules of Conduct for Persons Providing Contract Services, Confidentiality of Information Agreement).

Name (print): Alex Walker, President
(Name of Contract Signatory)

Date: 1-31-2023

Signature: _____
(Signature of Contract Signatory)



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF CORRECTIONS
 DIVISION OF ADMINISTRATION

Helen E. Hanks
 Commissioner

Robin H. Maddaus
 Director

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G&C

May 11, 2020

Pending
 Approved June 24, 2020
 Item # Item # 94

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

REQUESTED ACTION

Authorize the NH Department of Corrections (NHDOC) to enter into a contract Agreement with Catholic Medical Center (VC# 177240), 100 McGregor Street, Manchester, NH 03102, in the amount of \$2,850,000.00, for the provision of Inpatient & Outpatient Hospital/Medical services, effective upon Governor and Executive Council approval for the period beginning July 1, 2020 through June 30, 2023, with the option to renew for one (1) additional period of up to two (2) year(s). 100% General Funds.

Funding is available in account, *Medical-Dental*: 02-46-46-465010-8234-101-500729 as follows with the authority to adjust encumbrances in each of the Fiscal Year through the Budget Office if necessary and justified. Funding for FY 2022-2023 is contingent upon the availability and continued appropriation of funds.

Catholic Medical Center					
Account	Description	FY 21	FY 22	FY 23	Total
02-46-46-465010-8234-101-500729	Medical - Dental	950,000.00	950,000.00	950,000.00	2,850,000.00
Total Contract Amount					\$ 2,850,000.00

EXPLANATION

This contract is for the provision of Inpatient & Outpatient Hospital/Medical Services for the residents of the Concord Area consisting of the NH State Prison for Men (NHSP-M), Secure Psychiatric Unit (SPU), Residential Treatment Unit (RTU), NH Correctional Facility for Women (NHCF-W) and the Community Corrections of Concord and Manchester, NH.

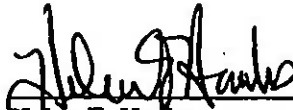
The NHDOC utilizes hospital services for short-term medical treatment for residents having an acute illness or injury that is beyond the scope of primary care services provided by the medical staff within the prison facility.

These services include inpatient surgery, medical services and outpatient procedures such as ambulatory surgery, diagnostic and emergency services.

A Request for Proposal (RFP) was posted to the NHDOC website www.nh.gov/nhdoc/business/rfp for eight (8) consecutive weeks and five (5) potential vendors were notified of the solicitation. As a result of the publication, one (1) potential vendor responded by submitting a proposal. After the review and evaluation of the proposal and in accordance with the RFP terms and conditions, the NHDOC awarded the contract, in the amount of \$2,850,000.00, to the incumbent, Catholic Medical Center.

The RFP was scored utilizing a consensus methodology by a four (4) person evaluation committee which consisted of the following NHDOC employees: Paula L. Mattis, Director of Medical & Forensic Services, Bernadette Campbell, Deputy Director of Medical & Forensic Services, Ryan Landry, Director of Nursing, Medical & Forensic Services and Kalendonia Dubrey, Administrator II, Medical & Forensic Services.

Respectfully Submitted,



Helen E. Hanks
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF CORRECTIONS
DIVISION OF MEDICAL & FORENSIC
SERVICES

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www.nh.gov/nhdoc

Helen M. Hanks
Commissioner

Paula L. Mattis
Director

RFP Bid Evaluation and Summary
Inpatient and Outpatient Hospital/Medical Services
NHDOC 20-03-GFMED

Proposal Receipt and Review:

- Proposals will be reviewed to initially determine if minimum submission requirements have been met. The review will verify that the proposal was received before the date and time specified, with the correct number of copies, the presence of all required signatures, and that the proposal is sufficiently responsive to the needs outlined in the RFP to permit a complete evaluation. Failure to meet minimum submission requirements will result in the proposal being rejected and not included in the evaluation process.
- The Department will select a group of personnel to act as an evaluation team. Proposals will not be publicly opened. Upon receipt, the proposal information will be disclosed to the evaluation committee members only.
- The Department uses a consensus scoring methodology to evaluate submitted Proposals. The Department reserves the right to waive any minor irregularities as that it considers not material to the proposal.
- The RFP does not commit the Department to award a Contract. The Department reserves the right to reject any and all Proposals; to cancel the RFP; and to seek new proposals under a new solicitation process.

Proposal Evaluation Criteria:

- Proposals will be evaluated based upon the proven ability of the respondent to satisfy the requirements of the evaluation criteria. Specific criteria are:
 - a. Technical Proposal – 200 points
 - b. Cost Proposal – 800 points
- Awards will be made to the responsive Vendor(s) whose proposals are deemed to be the most advantageous to the State, taking into consideration all evaluation factors in section F of NHDOC 20-03-GFMED RFP.
 - a. Contract(s) may be awarded to a Bidder submitting a response that demonstrates the required capabilities and approach as identified in the RFP and does not reduce the current functions of the Department.

Evaluation Team Members:

- a. Paula L. Mattis, Director of Medical & Forensic Services, NH Department of Corrections
- b. Bernadette Campbell, Deputy Director of Medical & Forensic Services, NH Department of Corrections
- c. Ryan Landry, Director of Nursing, Medical & Forensic Services, NH Department of Corrections
- d. Kalendonia DuBrey, Administrator II, Medical & Forensic Services, NH Department of Corrections



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Helen M. Hanks
 Commissioner

Paula L. Mattis
 Director

RFP Scoring Matrix
Inpatient and Outpatient Hospital/Medical Services
NHDOC 20-03-GFMED

Respondents:

- Catholic Medical Center
 Manchester, NH

Scoring Matrix Criteria:

- Proposals were evaluated based on the proven ability of the respondents to satisfy the provisions set forth in the Scope of Services in the most technical and cost-effective manner.
 1. Technical Proposal – 200 points
 2. Cost Proposal – 800 points

NHDOC 20-03-GFMED RFP Scoring Matrix		
<i>Evaluation Criteria</i>	<i>RFP Weight Point Value</i>	<i>Catholic Medical Center</i>
<i>Technical Proposal</i>		
<i>Executive Summary</i>	100	100
<i>Organizational Capability</i>	100	100
<i>Cost Proposal</i>		
<i>Inpatient Hospital Services</i>	100	80
<i>Emergency and Urgent Care Services</i>	175	150
<i>Outpatient Hospital Services</i>	200	175
<i>Rate Adjustments</i>	75	65
<i>Hospital Claims Processing</i>	100	100
<i>Physician Services</i>	50	50
<i>Physician Services Claims Processing</i>	50	50
<i>Other Services at Discounted Rates</i>	50	50
Total	1000	920

Contract Award:

- Catholic Medical Center
 100 McGregor Street
 Manchester, NH 03102



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Helen M. Hanks
Commissioner

Paula L. Mattis
Director

RFP Evaluation Committee Member Qualifications
Inpatient and Outpatient Hospital Services
NHDOC 20-03-GFMED

Paula Mattis FACHE, Division Director, Medical & Forensic Services:

Ms. Mattis joined the NH Department of Corrections serving as the Non-Medical Director, Division of Medical & Forensic Services. Her professional history includes seven years as Administrator of Community Integration at the State of New Hampshire, New Hampshire Hospital, four years as Chief Operating Officer and three years as Acting CEO. Prior to this appointment, Ms. Mattis was President and Chief Executive Officer of the Animal Rescue League of New Hampshire. Ms. Mattis received her Bachelor of Arts degree with honors in Psychology (major) and Sociology (minor) from the University of Texas and a Master's of Social Work, specializing in Community Mental Health from the University of Illinois.

Bernie Campbell, BS, PT, Deputy Director, Medical & Forensic Services:

Ms. Campbell is the Deputy Director for the Division of Medical & Forensic Services for the NH Department of Corrections. In this capacity, Ms. Campbell's role is to administer and supervise allied health services for the Division of Medical & Forensic Services and is responsible to ensure public and institutional safety for all sites through staff and contract monitoring and evaluation. Ms. Campbell is a graduate of UMass Lowell and has involvement with the Department for over twenty-eight years, most recently in the capacity of Director of Rehabilitation Services. Ms. Campbell's past experience has included ownership of a physical therapy clinic as well as vast acute care hospital experience.

Ryan Landry, Director of Nursing, Medical & Forensic Services:

Mr. Landry is the Director of Nursing in the Medical & Forensic Department of the NH Department of Corrections. Mr. Landry currently organizes and facilitates nursing care throughout all facilities at the NHDOC while supervising members of the nursing team. He has over 14 years of experience in various nursing roles within the division, including Nurse Specialist and Nurse Coordinator of both the Northern New Hampshire Correctional Facility and the New Hampshire State Prison for Men. Mr. Landry is board certified by the American Nurses Credentialing Center with a specialty in Pain Management Nursing. He received an Associate of Science/Nursing Degree from the White Mountain Community College, as well as a Bachelor of Science Degree/Nursing and Masters of Science/Nursing Leadership and Management Degree from Western Governor's University.

Kalendonia Dubrey, Operations Administrator, Medical & Forensic Services:

Ms. DuBrey has been working for the NH Department of Corrections for approximately 14 years. She was recently promoted to the position of Operations Administrator for the Division of Medical and Forensic Services. In her new capacity, she is the liaison between the division and the different contracts the division oversees. She has a bachelor's degree in International Relations from the University of Mobile and is currently pursuing certification in medical billing and coding.



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Helen E. Hanks
Commissioner

Paula L. Mattis
Director

Bidders List
Inpatient and Outpatient Hospital/Medical Services
NHDOC RFP 20-03-GFMED

Catholic Medical Center
Andrea Rathbone, MHSA
Director, Managed Care Contracting
195 McGregor Street
Manchester, NH 03102
(o) 603-668-3545
(o) 603-663-6383
(e) andrea.rathbone@cmc-nh.org
(w) www.catholicmedicalcenter.org

Elliot Hospital
Eva Martel
Director of Managed Care
One Elliot Way
Manchester, NH 03103
(o) 603-669-5300
(o) 603-663-6181
(e) emartel@elliott-hs.org
(w) www.elliotohospital.org

Concord Hospital
Scott Sloane
Senior Vice President & CFO
250 Pleasant Street
Concord, NH 03301
(o) 603-227-7000
(o) 603-230-6049
(e) ssloane@crhc.org
(w) www.concordhospital.org

***Southern New Hampshire Health**
Michael S. Rose
President & CEO
8 Prospect Street
P.O. Box 2014
Nashua, NH 03061
(o) 603-577-2000
(w) www.snhhealth.org
* Mailed RFP Solicitation

Dartmouth-Hitchcock Medical Center
Lynn Guillette, FHFMA, CPA
VP, Payment Innovations, Contracting & ACO
One Medical Center Drive
Lebanon, NH 03756
(o) 603-695-2500
(o) 603-653-1255
(e) lynn.m.guillette@hitchcock.org
(w) www.dartmouth-hitchcock.org

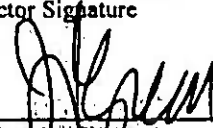
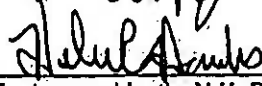
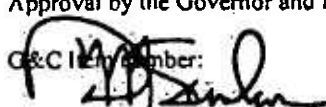
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

I. IDENTIFICATION.

1.1 State Agency Name NH Department of Corrections		1.2 State Agency Address 105 Pleasant Street, Concord, NH 03301 P.O. Box 1806, Concord, NH 03302	
1.3 Contractor Name <i>Catholic Medical Center</i>		1.4 Contractor Address <i>100 McGregor St Manchester, NH 03102</i>	
1.5 Contractor Phone Number <i>800-437-9666</i>	1.6 Account Number 02-46-46-465010-8234 101-500729	1.7 Completion Date December 31, 2022 <i>7/8/23</i> June 30, 2023	1.8 Price Limitation \$2,850,000.00
1.9 Contracting Officer for State Agency Helen E. Hanks, Commissioner		1.10 State Agency Telephone Number 603-271-5603	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Joseph Pepe, MD President ICEO	
1.13 State Agency Signature 		1.14 Name and Title of State Agency Signatory Helen E. Hanks, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>Erik Bal</i> On: <i>6/9/2020</i>			
1.17 Approval by the Governor and Executive Council (if applicable) C&C Identifier:  DEPUTY SECRETARY OF STATE JUN 24 2020			

Contractor Initials *JP*
 Date *5/17/2023*

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, 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 affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provide in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in the Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

9. TERMINATION.

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

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

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

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

*State of NH, Department of Corrections
Inpatient & Outpatient Hospital Services
CONTRACT NHDOC 20-03-GFMED*

Special Provisions, Exhibit A

1. FORM NUMBER P-37 (version 7/11/19)

"To modify the Form P-37, General Provisions, Section 14. Insurance, paragraph 14.3, by adding after the last sentence of the clause to read: "Cancellation notice by the Insurer to the Certificate Holder will be delivered in accordance with the policy provisions."

2. Scope of Services, Exhibit B

5. Inpatient Hospital Services:

5.5. Observation stays shall be defined as a stay of less than twenty-four (24) hours. Any hospital stay of 24 hours or greater, whether coded as observation or inpatient admission will be reimbursed at the DRG rate for inpatient stay not to exceed 110% of the Medicare allowable rate and will be billed to NH Department of Corrections for payment based on this methodology.

Catholic Medical Center's Exception to Scope of Services, Exhibit B, Inpatient Hospital Services:

Catholic Medical Center is not able to code and bill and assign a DRG for observation stays greater than twenty-four (24) hours according to the description in Section 2. Scope of Services, Exhibit B, paragraph 5., Inpatient Hospital Services, sub paragraph 5.5, above. Catholic Medical Center's systems are not capable of producing a bill.

Catholic Medical Center is proposing to code and bill for Observation services up to forty-eight (48) hours.



Exception to Terms and Conditions

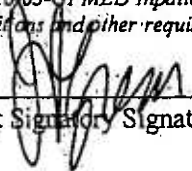
A Responder shall be presumed to be in agreement with the Terms and Conditions of RFP NHDOC 20-03-GFMED Inpatient & Outpatient Hospital Services and the Standard Terms and Conditions in Appendix C – Standard Terms and Conditions unless the Responder takes specific exception to one or more of the conditions on this form. Responders are cautioned that by taking any exception they may be materially deviating from the RFP specifications. If a Responder materially deviates from a RFP specification, its Proposal may be rejected.

A material deviation is an exception to a specification, which 1) affords the Responder taking the exception a competitive advantage over other Responders or 2) gives the State something significantly different than the NH Department of Corrections requested.

INSTRUCTIONS: Responders must explicitly list all exceptions to the NH Department of Corrections concerning the Terms and Conditions of RFP NHDOC 20-03-GFMED Inpatient & Outpatient Hospital Services and the Standard Terms and Conditions in Appendix C – Standard Terms and Conditions. Reference the actual number of the Terms and Conditions for which an exception(s) is being taken. If no exceptions exist, state "NONE" specifically on the form below. Whether or not exceptions are taken, the Responder must SIGN this form and submit it as part of organization's Proposal response. *(Add additional pages if necessary).*

Term & Condition Number	Explanation of Exception
<p>Section C 1.5</p>	<p>Observation stays:</p> <p>1.5. Observation stays shall be defined as a stay of less than 24 hours. Any hospital stay of 24 hours or greater, whether coded as observation or inpatient admission will be reimbursed at the DRG rate for inpatient stay not to exceed 110% of the Medicare allowable rate and will be billed to the NH Department of Corrections for payment based on the methodology.</p> <p>Catholic Medical Center is not able to code and bill and assign a DRG for observation stays greater than 24 hours according to the description in the RFP. Our systems are not capable of producing a bill.</p>

By signing this form, I (Contract Signatory) acknowledge and accept, without qualification, all Terms and Conditions of RFP NHDOC 20-03-GFMED Inpatient & Outpatient Hospital Services and terms and conditions of the Appendix C – Standard Terms and Conditions and other required documents stated in the RFP except those clearly outlined as exceptions above.


President + CEO

Contract Signatory Signature and Title

*State of NH, Department of Corrections
Inpatient & Outpatient Hospital Services
CONTRACT NHD0C 20-03-GFMED*

Scope of Services, Exhibit B

1. Purpose:

The purpose of this Contract is to seek Inpatient & Outpatient Hospital Services and professional medical services for the Concord and Southern area for the patient population of the NH Department of Corrections. This Contract is designed to comply with RSA 623-C:2 as amended effective July 1, 2013.

2. Performance Period:

Contract(s) awarded by the Governor and Executive Council (G&C) on behalf of the NH Department of Corrections (NHD0C) as a result of this RFP is anticipated to be effective for the period beginning July 1, 2020, or upon approval of the Governor and Executive Council, whichever is later through June 30, 2023. The Department may extend contracted services for one (1) additional period of up to two (2) years, contingent upon satisfactory Contractor performance, continued appropriation and G&C approval.

3. Resident Population Served:

²Resident population served from the following facilities are marked with an "X" below:

Concord Area Correctional Facilities			
X	NH State Prison for Men – (NHSP-M)	281 North State Street	Concord, NH 03301
X	Secure Psychiatric Unit (SPU)/Residential Treatment Unit (RTU)	281 North State Street	Concord, NH 03301
X	North End Transitional Housing Unit	1 Perimeter Road	Concord, NH 03301
X	Concord Transitional Work Center	275 North State Street	Concord, NH 03301
X	NH Correctional Facility for Women – (NHCF-W)	42 Perimeter Road	Concord, NH 03301
X	Shea Farm Housing Unit	60 Iron Works Road	Concord, NH 03301
Southern Area Correctional Facilities			
X	Calumet Transitional Housing Unit	126 Lowell Street	Manchester, NH 03104

4. Average Resident Population, Medical Transports and Hospital Visits for SFY 2019:

Average Resident Population	Medical Transports for SFY 2019	Hospital Visits for SFY 2019		
		Emergency Room	Inpatient Stay	139
2474	2916	450	139	

5. Inpatient Hospital Services:

5.1. The NH Department of Corrections is seeking inpatient services to be reimbursed on a Diagnosis Related Group (DRG) methodology. Specifically, the Contractor is asked to acknowledge the payment methodology and provide a DRG coefficient for evaluation. Such payment methodology will allow recognition of case mix and still provide an all-inclusive rate for inpatient hospital services.

² On rare occasions patients may be brought from the NH Northern Correctional Facility, Berlin, NH to receive services at the Contractor's facility and in such circumstances all contract conditions shall apply.

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- 5.2. In developing the DRG rate, the Contractor should review the provisions of amended RSA 623-C:2 enacted as of July 1, 2013 requiring hospitals providing inpatient services to this population to accept fees not greater than one hundred ten percent (110%) of the Medicare allowable rate.
 - 5.3. *Please Note:* The NH Department of Corrections requests the Contractor to comment on the competitiveness of the DRG coefficient provided as it relates to RSA 623-C:2, I and II, private commercial payment and other public sources of third party payment.
 - 5.4. Medicaid covered services provided by a residential care and/or health facility licensed pursuant to RSA 151 shall be paid at the NH Medicaid rate. In addition, please see RSA 623C:2(1)h. The NH Department of Corrections will assist patients in applying for this reimbursement as allowed by rules and regulations of the NH Medicaid program in effect on the date of service.
 - 5.5. Observation stays shall be defined as a stay of less than twenty-four (24) hours. Any hospital stay of 24 hours or greater, whether coded as observation or inpatient admission services will be reimbursed at the DRG rate for inpatient stay not to exceed 110% of the Medicare allowable rate and will be billed to NH Department of Corrections for payment based on this methodology.
- 6. Emergency and Urgent Care Services:**
- 6.1. *Please Note:* Indicate the Contractor's acceptable reimbursement level for Emergency and Urgent Care Services as a percentage discount off the hospital billed charge. At a minimum, the Contractor shall adhere to the requirements of the amended RSA 623-C:2 requiring that the hospital rate does not exceed 110% of the Medicare allowable amount for these services. The Contractor shall indicate the availability of an Urgent Care facility and/or service as part of the Emergency Services requirement. The Contractor will follow industry standard billing practices if any of these services rendered (e.g. emergency or urgent care services) revert to an inpatient stay as these services would then be billed as part of the overall inpatient stay.
 - 6.2. *Please Note:* The NH Department of Corrections requests the Contractor to comment on the competitiveness of the discount provided as it relates to the requirements of the amended RSA 623-C:2 effective July 1, 2013, private commercial payment and other public sources of third party payment and indicate the Contractor's availability of an Urgent Care facility and/or service as part of the Emergency Services requirement.
- 7. Outpatient Hospital Services:**
- 7.1. The NH Department of Corrections is seeking proposals for outpatient services to be reimbursed as a percentage of the January 2020 relevant NH Medicare Fee Schedule and indicate the percentage (%) multiplier, below. The following NH Medicare Fee Schedules are to be used:

NH January 2020 Medicare Fee Schedule	Percentage (%) Multiplier
Outpatient Laboratory	110%
Outpatient Radiology	110%
National Level II Codes (HCPCS)	110%

- 7.2. *Please Note:* The NH Department of Corrections requests the Contractor to comment on the competitiveness of the discount provided as it relates to the requirements of the amended RSA 623-C:2 effective July 1, 2013, private commercial payment and other public sources of third

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- party payment.
- 7.3. *Please Note:* All other outpatient services not covered by the NH Medicare Fee Schedules above shall be paid as a percentage of the facility charge structure. Indicate the percentage discount off the hospital's billed charge.
- 7.3.1. *Please Note:* The NH Department of Corrections requests the Contractor to comment on the competitiveness of the discount provided as it relates to the requirements of the amended RSA 623-C:2 effective July 1, 2013; private commercial payment and other public sources of third party payment.
- 7.3.2. *Please Note:* The Contractor shall provide a complete list of all affiliated facilities that routinely provide services not covered under the Contractor's tax ID number. The Contractor shall provide written confirmation that the affiliated facilities will accept the contracted rate or will be reimbursed under the provisions of RSA 623-C:2.
- 7.3.3. *Please Note:* The Contractor shall provide a complete list of all services, procedures provided by affiliated facilities not covered under the contracted reimbursement rate.
8. **Rate Adjustments:**
- 8.1. The NH Department of Corrections requests a three-year rate proposal and agreement because of the need to properly appropriate funds over the next biennium. If the Contractor proposes an annual adjustment to the rates, please indicate what the adjustment will be and the rationale for such adjustment.
- 8.2. The NH Department of Corrections will review the Contractor's request for rate adjustment using hospital reimbursement rates by the most recently published Consumer Price Index by the Bureau of Labor Statistics, Boston-Cambridge-Newton, MA-NH/Northeast Region. The adjustment request shall not violate the intent of RSA 623-C:2.
- 8.3. *Please Note:* During the term of the agreement with any selected Contractor, the NH Department of Corrections will require by Agreement that the Contractor provide written notification of any annual rate increases. Any rate adjustments may require written agreement and/or possible contract amendment from the NH Department of Corrections prior to going into effect.
- 8.4. If it is necessary to increase the price limitation of the Contract this provision shall require Governor and Executive Council approval.
9. **Hospital Claim Processing:**
- 9.1. *Please Note:* The NH Department of Corrections lacks electronic claims system capacity. For Hospitals Services, the NH Department of Corrections will require the Contractor to invoice the discounted amount of services rendered to patients. Claims are to be provided in the industry standard format (CMS 1500, UB-04) but should indicate the amount expected to be reimbursed. For inpatient admissions, the submitted UB-04 shall reflect the DRG and DRG rate expected for reimbursement. The Contractor is asked in this section to describe in detail the method by which it will address this requires and provide a sample format of the methodology. In addition, the Contractor should be aware of the requirements of RSA 623-C:2(l)g.
- 9.2. All invoices shall clearly reflect if the patient's status is observation, emergency room, inpatient, or outpatient.

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10. Physician Services:

- 10.1. The NH Department of Corrections seeks to include professional medical services. In particular, it seeks to access services for employed physicians to be reimbursed at a discounted level. The Contractor should indicate its willingness to provide discounted professional services for its employed physicians and provide the following:
- 10.1.1. Listing of the employed physicians and relevant specialty;
 - 10.1.2. Level of reimbursement expressed as a percentage of the January 2020 NH Medicare Physician Fee Schedule not to exceed 110% of Medicare.
- 10.2. *Please Note:* The NH Department of Corrections requests the Contractor to comment on the competitiveness of the discount as it relates to billed charges, commercial third party payments and other public program third party payer reimbursements (i.e. Medicaid, Veteran Administration, etc.).

11. Physician Services Claims Processing:

- 11.1. The Contractor should validate the Physician Service claims will be provided to the NH Department of Corrections in a timely manner and consistent with the industry format (CMS 1500). Claims for Physician Services will be processed by the NH Department of Corrections by applying the negotiated percentage of the January 2020 NH Medicare Fee Schedule to the services, regardless of amount billed.
- 11.2. *Please Note:* The NH Department of Corrections requests that the Contractor invoice at 110% of Medicare rate for employed Physician Services. No payments of services rendered under this methodology will exceed the 110% Medicare amount.

12. Other Services at Discounted Rates:

- 12.1. The NH Department of Corrections is interested in access to other necessary services that the Contractor may be willing to provide at a discounted rate under the one hundred twenty-five percent (125%) of Medicare rate.
- 12.2. *Please Note:* The Contractor shall indicate in this sections if any other such services are available. Items of interest include but not limited to on-campus (NH Department of Corrections facilities) rehabilitation services: Physical Therapy (PT), Occupational Therapy (OT), Speech Therapy (ST) and Respiratory Therapy (RT), Oncology, Radiation Therapy, chemotherapy, or alternative to hospital based rehabilitation services.
- 12.3. *Please Note:* For inpatient rehabilitation services, Contractors shall provide pricing based on Medicare's Case Mix Groups (CMG) utilizing the payment on account factor (PAF or % of charge) for January 2020. The NH Department of Corrections is seeking a rate not to exceed 110% of Medicare per RSA 623-C:2.

13. Auditing:

- 13.1. The NH Department of Corrections reserves the right to retrospectively audit any and all claims submitted for conformance to the contracted rate and medically appropriate claim designation, i.e. inpatient, outpatient, emergency or observation status. Such auditing function may be performed by employees of the NH Department of Corrections, the NH Department of Administrative Services, the Department of Health and Human Services or a contracted service.
- 13.2. The Contractor shall be expected to provide itemized copies of invoices and access to clinical records substantiating billing status.
- 13.3. The Contractor should be able to defend its pricing methodology and properly detail any internal process controls for ensuring accurate pricing of claims RSA 623-C:2(g).

Promoting Public Safety through Integrity, Respect, Professionalism, Collaboration and Accountability

*State of NH, Department of Corrections
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14. General Service Provisions:

- 14.1. Notification of Required Services: The NH Department of Corrections shall contact the Contractor when service is needed. A list of NH Department of Corrections key personnel by site and contact information will be provided to the Contractor.
- 14.2. Rules and Regulations: The Contractor agrees to comply with all Policies, Procedure and Directives (PPD's) of the NH Department of Corrections. The Contractor shall adhere to the Department's Administrative Rules, Conduct and Confidentiality of Information policies.
- 14.3. Additional Facilities: Upon agreement of both parties, additional facilities belonging or associated to the NH Department of Corrections may be added to the Contract.
- 14.4. Licenses, Credentials and Certificates: The Contractor shall ensure NH State licensed professionals provide the services required. The Contractor and its staff shall possess and maintain the credentials, licenses and/or certificates required by law and regulations to provide such services for the life of the Contract and any renewals thereof.

15. Administrative Rules, Policies, Regulations and Policy and Procedure Directives:

Contractor shall comply with any applicable NH Department of Corrections Administrative Rules, Policies, Regulations and Policy and Procedure Directives (PPD's) to include but not limited to PPD 5.08: *Staff Personal Property Permitted In and Restricted from Prison Facilities*. Additional information can be located as a separate link:
http://www.nh.gov/nhd0c/business/rfp_bidding_tools.htm.

16. Prison Rape Elimination Act (PREA) of 2003:

Contractor shall comply with the Prison Rape Elimination Act (PREA) of 2003 (Federal Law 42 U.S.C.15601 et. seq.), with all applicable Federal PREA standards, and with all State policies and standards related to PREA for preventing, detecting, monitoring, investigating, and eradicating any form of sexual abuse within facilities/programs/offices owned, operated, or contracted. Contractor acknowledges that, in addition to self-monitoring requirements, the State will conduct compliance monitoring of PREA standards, which may require an outside independent audit. Additional information can be located as a separate link:
http://www.nh.gov/nhd0c/business/rfp_bidding_tools.htm.

17. Protected Health Information (PHI):

Contractor shall safeguard any and all PHI according to the terms of the Health Information 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.

In performing its obligations under the Contract, the Contractor may gain access to information of the patients, including confidential information or Patient Health Information (PHI). The Contractor shall not use information developed or obtained during the performance of, or acquired or developed by reason of the Contract, except as is directly connected to and necessary for the Contractor's performance under the Contract.

The Contractor agrees to maintain the confidentiality of and to protect from unauthorized use, disclosure, publication, reproduction and all information of the patient that becomes available to the Contractor in connection with its performance under the Contract. In the event of unauthorized use of

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or disclosure of the patient's information, the Contractor shall immediately notify the NH Department of Corrections.

All financial, statistical, personnel and/or technical data supplied by NH Department of Corrections to the Contractor are confidential. The Contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale or offering of this data in any form by the Contractor, or any individual or entity in the Contractor's charge or employ, will be considered a violation of this Contract and may result in contract termination. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

18. Change of Ownership:

In the event that the Contractor should change ownership for any reason whatsoever, the NH Department of Corrections shall have the option of continuing under the Contract with the Contractor or its successors or assigns for the full remaining term of the Contract, continuing under the Contract with the Contractor or, its successors or, assigns for such period of time as determined necessary by the NH Department of Corrections, or terminating the Contract.

19. Contractor Designated Liaison:

Contractor shall designate a representative to act as a liaison between the Contractor and the Department of Corrections for the duration of the Contract and any renewals thereof. The Contractor shall, within five (5) days after the award of the Contract, submit a written identification and notification to NH Department of Corrections of the name, title, address, telephone & fax number, of its organization as a duly authorized representative to whom all correspondence, official notices and requests related to the Contractor's performance under the Contract.

- 19.1. Any written notice to the Contractor shall be deemed sufficient when deposited in the U.S. mail, postage prepaid and addressed to the person designated by the Contractor under this paragraph.
- 19.2. The Contractor shall have the right to change or substitute the name of the individual described above as deemed necessary provided that any such change is not effective until the Commissioner of the NH Department of Corrections actually receives notice of this change.
- 19.3. Changes to the named Liaison by the Contractor must be made in writing and forwarded to NH Department of Corrections, Director of Medical & Forensic Services, or designee, P.O. Box 1806, Concord, NH 03302.

20. Contractor Liaison's Responsibilities:

Contractor's designated liaison shall be responsible for:

- 20.1. Representing the Contractor on all matters pertaining to the Contract and any renewals thereof. Such a representative shall be authorized and empowered to represent the Contractor regarding all aspects of the Contract and any renewals thereof.
- 20.2. Monitoring the Contractor's compliance with the terms of the Contract and any renewals thereof.
- 20.3. Receiving and responding to all inquiries and requests made by NH Department of Corrections in the time frames and format specified by NH Department of Corrections in this RFP and in the Contract and any renewals thereof; and
- 20.4. Meeting with representatives of NH Department of Corrections on a periodic or as-needed basis to resolve issues, which may arise.

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21. NH Department of Corrections Contract Liaison Responsibilities:

NH Department of Corrections' Commissioner, or designee, shall act as liaison between the Contractor and the NH Department of Corrections for the duration of the Contract and any renewals thereof. The NH Department of Corrections reserves the right to change its representative, at its sole discretion, during the term of the Contract, and shall provide the Contractor with written notice of such change. The NH Department of Corrections representative shall be responsible for:

- 21.1. Representing the NH Department of Corrections on all matters pertaining to the Contract. The representative shall be authorized and empowered to represent the NH Department of Corrections regarding all aspects of the Contract, subject to the approval of the Governor and Executive Council of the State of New Hampshire, where needed.
- 21.2. Monitoring compliance with the terms of the Contract.
- 21.3. Responding to all inquiries and requests related to the Contract made by the Contractor, under the terms and in the time frames specified by the Contract.
- 21.4. Meeting with the Contractor's representative on a periodic or as-needed basis and resolving issues, which arise.
- 21.5. Informing the Contractor of any discretionary action taken by the NH Department of Corrections pursuant to the provision of the Contract.
- 21.6. Ensuring that a minimum of two (2) NH Department of Corrections security officers shall transport and be present during a patient's evaluation and treatment at the Contractor's facility.
- 21.7. Providing the Contractor with a list of key personnel and contact information.

22. Reporting Requirements:

- 22.1. The Contractor shall provide, at a minimum, quarterly reports on outpatient utilization by the Department's facility and inpatient utilization by DRG. Descriptions of reports or sample reports should be provided as an attachment to the RFP response.
- 22.2. The Contractor shall provide any and all reports as requested on an as needed basis according to a schedule and format to be determined by the NH Department of Corrections including but not limited to:
 - 22.2.1. Quarterly summary of the cost by product line by DRG for inpatient and product line by primary diagnosis for outpatient services;
 - 22.2.2. Length of stay information;
 - 22.2.3. Breakdowns of inpatient and outpatient billings by Current Procedural Terminology (CPT) and Healthcare common Procedure Coding System (HCPCS) codes;
 - 22.2.4. Quarterly summary of Charges to Reimbursement reporting by inpatient and outpatient services;
 - 22.2.5. Quarterly summary of Inpatient Case by Department (Cost Centers) and Outpatient Cases by Department (Cost Centers); and
 - 22.2.6. Billings are to be provided in a format consistent with Medicare and Medicaid billing on industry standard form (CMS 1500; UB-04).
- 22.3. The Contractor shall provide proof of any and all permits to perform inpatient and outpatient hospital/medical services as required by authorities having local, state and/or federal jurisdiction at any time during the life of the Contract and any renewals thereof.
- 22.4. All material developed or acquired by the Contractor, as a result of work under the Contract shall become the property of the State of New Hampshire. No material or reports prepared by the Contractor shall be released to the public without the prior written consent of the NH Department of Corrections.

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22.5. Any information and/or reports requested by the NH Department of Corrections forwarded to NH Department of Corrections, Director of Medical & Forensic Services, or designee, P.O. Box 1806, Concord, NH 03302.

23. Performance Evaluation:

NH Department of Corrections shall, at its sole discretion monitor and evaluate the Contractor's compliance with the Terms and Conditions and adherence to the Scope of Services of the Contract for the life of the Contract and any renewals thereof.

- 23.1. The NH Department of Corrections may request a meeting with the Contractor at a minimum of twice a year to assess the performance of the Contractor relative to the Contractor's compliance with the Contract as set forth in the approved Contract.
- 23.2. The NH Department of Corrections shall determine the acceptability of any reports submitted by the Contractor. If they are not deemed acceptable, NH Department of Corrections shall notify the Contractor and explain the deficiencies.
- 23.3. Perform periodic programmatic and financial review of the Contractor's performance or responsibilities. This may include, but limited to, on-site inspections audits conducted by the NH Department of Corrections or its agents of the Contractor's records. The audits may, at a minimum, include a review of the following:
 - 23.3.1. Claims and financial administration;
 - 23.3.2. Program operation;
 - 23.3.3. Financial reports;
 - 23.3.4. Staff qualifications;
 - 23.3.5. Clinical protocols; and
 - 23.3.6. Individual medical records.
- 23.4. Inform the Contractor of any dissatisfaction with the Contractor's performance and include requirements for corrective action.
- 23.5. The Contractor understands and agrees that the NH Department of Corrections reserves the right to amend the claims process for Hospital and Professional Services as outlined in Exhibit B, Scope of Services. The NH Department of Corrections continues to work on alternative mechanisms to expedite the claims process and provide useful real time data to NH Department of Corrections. Any such change to the claims process will be provided with written notice in advance of the required change.
 - 23.5.1. Patient specific discharge summaries shall be completed and provided within twenty-four (24) hours of discharge to the NH Department of Corrections for one-hundred percent (100%) of patients served;
 - 23.5.2. For patients released from an emergency room or urgent care evaluation, a nurse-to-nurse report between the vendor and the appropriate NHD0C Nurse shall be completed and provided for 100% of patients served; and
 - 23.5.3. For patients being released from an inpatient or observation stay, there shall be a provider-to-provider and nurse-to-nurse report prior to discharge back to a NHD0C facility for 100% of patients seen.

24. Performance Measures:

NH Department of Corrections shall, at its sole discretion:

- 24.1. Inform the Contractor of any dissatisfaction with the Contractor's performance and include requirements for corrective action.

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24.2. Terminate the Contract, as permitted by law, if the NH Department of Corrections determines that the Contractor:

- 24.2.1. Does not comply with the terms of the Contract.
- 24.2.2. Has lost or has been notified of intention to lose their certification/licensure/permits.
- 24.2.3. The Contractor shall fully coordinate the performance activities of the Contract with those of the NH Department of Corrections. As the work of the Contractor progresses, advice and information on matters covered by the Contract shall be made available by the Contractor to the NH Department of Corrections as requested by the Department throughout the effective period of the Contract.
- 24.2.4. All other expectations outlined in this Contract with regard to rates, claims processing, liaison expectations, reporting requirements, licensure/certification and types of services.

25. Bankruptcy or Insolvency Proceeding Notifications:

- 25.1. Upon filing for any bankruptcy or insolvency proceeding by or against the Contractor, whether voluntary or involuntary, or upon the appointment of a receiver, trustee, or assignee for the benefit of creditors, the Contractor must notify the NH Department of Corrections immediately.
- 25.2. Upon learning of the actions herein identified, the NH Department of Corrections reserves the right at its sole discretion to either cancel the Contract in whole or in part, or, re-affirm the Contract in whole or in part.

26. Embodiment of the Contract:

In the event of a conflict in language between the documents referenced below, the provisions and requirements set forth and/or referenced in the negotiated document noted in 26.1.1. shall govern. The NH Department of Corrections reserves the right to clarify any contractual relationship in writing with the concurrence of the Contractor, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the Proposer's Proposal and/or the result of a Contract.

26.1. Order of Precedence:

- 26.1.1. State of NH Department of Corrections Contract Agreement NHDOC 20-03-GFMED.
- 26.1.2. State of NH Department of Corrections RFP NHDOC 20-03-GFMED.
- 26.1.3. Proposer's Response to RFP NHDOC 20-03-GFMED.

27. Cancellation of Contract:

NH Department of Corrections may cancel the Contract at any time for breach of contractual obligations by providing the Contractor with a written notice of such cancellation. Should the NH Department of Corrections exercise its right to cancel the Contract, the cancellation shall become effective on the date as specified in the Notice of Cancellation sent to the Contractor.

- 27.1. The NH Department of Corrections reserves the right to cancel this Contract for the convenience of the State with no penalties by giving the Contractor sixty (60) days' notice of said cancellation.
- 27.2. The NH Department of Corrections reserves the right to terminate the Contract without penalty or recourse by giving the Contractor a written notice of such termination at least sixty (60) days prior to the effective termination date.

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28. Contractor Transition:

NH Department of Corrections, at its discretion, in any Contract or renewals thereof, resulting from this RFP, may require the Contractor to work cooperatively with any predecessor and/or successor Contractor to assure the orderly and uninterrupted transition from one Contractor to another.

29. Audit Requirement:

Contractor agrees to comply with any recommendations arising from periodic audits on the performance of the Contract, providing that the recommendations do not require unreasonable hardship, which would normally affect the value of the Contract.

30. Notification to the Contractor:

NH Department of Corrections shall be responsible for notifying the Contractor of any policy or procedural changes affecting the contracted services at least thirty (30) days before the implementation of such policy or procedure. The Contractor shall implement the changes on the date specified by the Department.

31. Other Contractual Documents Required by the NH Department of Corrections:

Form Number P-37 (version 11/7/19); Certificate of Good Standing; Certificates of Authority/Vote; Certificate of Insurance; Administrative Rules, Rules of Conduct, Confidentiality of Information Agreements; Health Insurance Portability and Accountability Act (HIPAA) Form, PREA Acknowledgement Form and ALT-W9 Registration shall be applicable for the requested contracted activities and are located as a separate link on the NH Department of Corrections website: http://www.nh.gov/nhd0c/business/rfp_bidding_tools.htm with instructions found in the Proposal Check Sheet.

The remainder of this page is intentionally blank.

Exhibit B
Scope of Services

RE: RFP Title: Inpatient and Outpatient Hospital Services
RFP Number: NHDOC RFP 20-03-GFMED
Vendor's Organizational Name: Catholic Medical Center

Section C: Description of Services:

1 Inpatient Hospital Services

1.1. Inpatient Coefficient – 110% of the current annual Medicare coefficient for Catholic Medical Center's ["CMC"].

1.2. RSA 623-C:2: CMC is bidding at the Senate mandated maximum reimbursement. CMC's bid of 110% of Medicare.

1.3. The rate is significantly less than currently available to any commercial contracts at CMC.

2. Emergency Services and Urgent Care Services

2.1. Reimbursement – CMC is proposing an overall reimbursement rate for Emergency services at 110% of Medicare.

CMC does offer an Urgent care center located in Bedford, NH. Urgent Care is staffed by board certified physicians, nurse practitioners and physician assistants. On site laboratory and x-ray services are available for urgent care needs. CMC is proposing a reimbursement rate for Urgent Care services at 110% of Medicare.

2.2. RSA 623-C:2: CMC is bidding at the Senate mandated maximum reimbursement. CMC's bid is 110% of Medicare.

2.3. The rate is significantly less than currently available to any commercial contracts at CMC.

3. Outpatient Hospital Services

3.1. Outpatient Laboratory and Radiology NH Fee Schedules – 110% of the NH 2020 Medicare Laboratory and Radiology Fee Schedules.

NH January 2020 Medicare FS	Percentage Multiplier
Outpatient Laboratory	110%
Outpatient Radiology	110%
National Level II Codes (HCPCS)	110%

3.2. CMC is bidding at the Senate mandated maximum reimbursement. CMC's bid is 110% of Medicare. The rate is significantly less than currently available to any commercial contracts at CMC.

3.3. All Other Outpatient Services : 110% of Medicare reimbursement for all outpatient, non-fee schedule, services.

3.3.1. The rate is significantly less than currently available to any commercial contracts at CMC.

3.3.2. There are no affiliated facilities that routinely provide services not covered under CMC's tax ID number.

3.3.3. Not applicable

4.0 Rate Adjustments

4.1. The second and third year rate adjustment will be tied to the most recent annual Medical CPI for the Boston-Brockton-Nashua region. These will be determined through the federal government BLS website as of May for a July 1st implementation.

Likewise, for year two and three, the PAF will be adjusted such that CMC's annual July 1st rate increases do not yield an increase in reimbursement by the DOC in excess of the annual Medical CPI for the Boston-Brockton-Nashua region. This will be determined through the federal government BLS website as of May for a July 1st implementation.

The inpatient DRG coefficient will increase on July 1st of year two by the annual Medical CPI for the Boston-Brockton-Nashua region. This will be determined through the federal government BLS website as of May for a July 1st implementation.

Additionally, each October 1st, the Medicare DRG tables, including updated weights and DRGs will be employed. In the event Medicare makes adjustments to DRGs and/or weights outside the typical annual October 1st updates, such changes shall apply to the reimbursement terms under the proposal.

5.0 Hospital Claim Processing: Process and attach a sample claim

5.1. CMC calculates estimated claims reimbursement using internal contract management software. CMC will utilize the standard CMS 1500 and UB-04 claims forms for submission. Please see attached sample

6.0 Physician Services:

6.1. A listing of current providers, including specialties, is enclosed with this RFP.

Primary Care – Family Practice and Internal Medicine

Cardiology – Medical, Interventionists and Electro physiologists

Cardiothoracic Surgeons

OB/GYN

General Surgery

Rates – 110% of the annual current Medicare Fee Schedule

6.2. CMC is bidding at the Senate mandated maximum reimbursement. CMC's bid is 110% of Medicare compared with 110% allowed under this amendment. The rate is significantly less than currently available to any commercial contracts at CMC.

7.0 Physician Claims Processing:

CMC will bill physician claims at 110% of the Medicare rate in a timely manner to the DOC consistent with industry standard.

8.0 Other Services at Discounted Rate:

8.1: N/A

8.2. Inpatient Rehab PAF –110% of current annual Medicare Reimbursement. Medicare reimburses inpatient rehabilitation on a CMG basis.

Because CMC does not have the ability to price inpatient rehabilitation services at a CMG rate, CMC is proposing using 110% of the current annual Medicare rate.

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Estimated Budget/Method of Payment, Exhibit C

1. Method of Payment:

- 1.1. Services are to be invoiced monthly commencing thirty (30) days after the start of service. Due dates for monthly invoices will be the 15th following the month in which services are provided.
- 1.2. Invoices shall be sent to the NH Department of Corrections, Director of Medical & Forensic Services, P.O. Box 1806, Concord, NH 03302, or designee, for approval. The "Bill To" address on the invoice shall be: NH Department of Corrections, Director of Medical & Forensic Services, P.O. Box 1806, Concord, NH 03302.
- 1.3. The NH Department of Corrections may adjust the payment amount identified on a Contractor's monthly invoice. The NH Department of Corrections shall suspend payment to an invoice if an invoice is not submitted in accordance with the instructions established by the NH Department of Corrections.
- 1.4. The NH Department of Corrections Bureau of Financial Services may issue payment to the Contractor within thirty (30) days of receipt of an approved invoice. Invoices shall be itemized by facility using industry standard forms (CMS 1500 and UB-04) and shall contain the following information:
 - 1.4.1. Dates of Service (DOS);
 - 1.4.2. NHD0C title and billing address;
 - 1.4.3. Patient name, patient identification (ID) number, patient account number, date of birth (DOB), and all other applicable fields per the industry standard form;
 - 1.4.4. Itemized service/product total charge per service/product type;
 - 1.4.5. NH Department of Corrections prefers the Contractor to provide the associated adjustments per RSA 623-C:2 on claims submitted; and
 - 1.4.6. Patient's Status: Observation, Emergency Room, Inpatient or Outpatient.
- 1.5. Payment shall be made to the name and address identified in the Contract as the "Contractor" unless: (a) the Contractor has authorized a different name and mailing address in writing or; (b) authorized a different name and mailing address in an official State of New Hampshire Contractor Registration Application Form; or (c) unless a court of law specifies otherwise. The Contractor shall not invoice federal tax. The State's tax-exempt certificate number is 026000618W.
- 1.6. The Contractor's shall follow the State's Fiscal Year Calendar for budgeting purpose. Original Contract Period shall commence on July 1, 2020.

The remainder of this page is intentionally blank.

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CATHOLIC MEDICAL CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 07, 1974. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62116

Certificate Number: 0004896742



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 20th day of April A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Matthew Kfoury, hereby certify that:


1. I am the duly elected Secretary of the Board of Trustees of Catholic Medical Center, a New Hampshire voluntary corporation ("CMC");
2. Joseph Pepe, MD is the duly elected President and CEO of CMC;
3. The following are true copies of resolutions duly adopted at a meeting of the Board of Trustees of CMC, duly held on February 20, 2020 at which a quorum of the Trustees were present and voting:

RESOLVED: That Catholic Medical Center ("CMC") enters into a Request for Proposal with the State of New Hampshire, acting through its Department of Corrections, Division of Administration, for the provision of inpatient and outpatient hospital medical services (the "RFP").

RESOLVED: That Joseph Pepe, MD, as the President & CEO of CMC is hereby authorized on behalf of CMC to negotiate, execute and deliver the RFP with the State of New Hampshire and to execute any and all documents, agreements, and other instruments; and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable, or appropriate.


4. It is understood that the State of New Hampshire will rely on this Certificate of Vote as evidence that Dr. Pepe is currently the President & CEO of CMC and has the full authority to bind CMC.
5. The foregoing resolutions have not been amended, repealed or revoked and remain in full force and effect as of March 17, 2020.

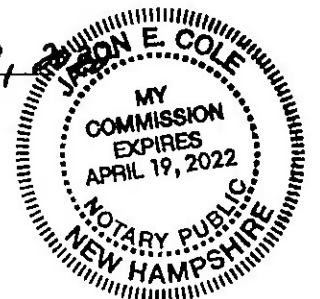
IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of CMC this March 17, 2020.


Matthew Kfoury, duly authorized
Secretary

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

This instrument was acknowledged before me this March 17, 2020 by Matthew Kfoury as Secretary of CMC.


Jason E. Cole, Notary Public
My Commission Expires: April 19, 2022





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/05/2020

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

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

PRODUCER MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com Fax: 212-948-4377	CONTACT NAME: PHONE (A/C No. Ext): E-MAIL ADDRESS:		FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Catholic Medical Center 100 McGregor Street Manchester, NH 03102	INSURER A: Pro Select Insurance Company		15105
	INSURER B: Safety National Casualty Corp.		21199
	INSURER C: Arch Specialty Insurance Company		
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** NYC-010851052-01 **REVISION NUMBER:** 4

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.

NSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			002NH000016052	10/01/2019	10/01/2020	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 50,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 3,000,000
							PRODUCTS - COMP/OP AGG	\$ 3,000,000
								\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED: RETENTION \$			UHIL0050896-07	10/01/2019	10/01/2020	EACH OCCURRENCE	\$ 5,000,000
							AGGREGATE	\$ 5,000,000
								\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A			SP 4061346 *SIR \$750,000	10/01/2019	10/01/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	PROFESSIONAL LIABILITY			002NH000016052	10/01/2019	10/01/2020	PER CLAIM	1,000,000
							AGGREGATE	3,000,000

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

The State of New Hampshire, New Hampshire Department of Corrections is/are included as additional insured (except workers' compensation) where required by written contract.

CERTIFICATE HOLDER

New Hampshire Department of Corrections
 P.O. Box 1806
 Concord, NH 03302-1806

CANCELLATION

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

AUTHORIZED REPRESENTATIVE
 of Marsh USA Inc.

Manashi Mukherjee

Manashi Mukherjee

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NH DEPARTMENT OF CORRECTIONS
ADMINISTRATIVE RULES


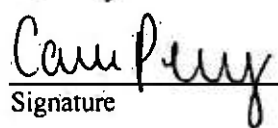
Cor 307 Items Considered Contraband. Contraband shall consist of:

- a) Any substance or item whose possession is unlawful for the person or the general public possessing it including but not limited to:
 - (1) narcotics
 - (2) controlled drugs or
 - (3) automatic or concealed weapons possessed by those not licensed to have them.
- b) Any firearm, simulated firearm, or device designed to propel or guide a projectile against a person, animal or target.
- c) Any bullets, cartridges, projectiles or similar items designed to be projected against a person, animal or target.
- d) Any explosive device, bomb, grenade, dynamite or dynamite cap or detonating device including primers, primer cord, explosive powder or similar items or simulations of these items.
- e) Any drug item, whether medically prescribed or not, in excess of a one day supply or in such quantities that a person would suffer intoxication or illness if the entire available quantity were consumed alone or in combination with other available substances.
- f) Any intoxicating beverage.
- g) Sums of money or negotiable instruments in excess of \$100.00.
- h) Lock-picking kits or tools or instruments on picking locks, making keys or obtaining surreptitious entry or exit.
- i) The following types of items in the possession of an individual who is not in a vehicle, but shall not be contraband stored in a secured vehicle:
 - (1) knives and knife-like weapons, clubs and club-like weapons,
 - (2) tobacco, alcohol, drugs including prescription drugs unless prior approval is granted in writing by the facility Warden/designee, or Director/designee,
 - (3) maps of the prison vicinity or sketches or drawings or pictorial representations of the facilities, its grounds or its vicinity,
 - (4) pornography or pictures of visitors or prospective visitors undressed,
 - (5) radios capable of monitoring or transmitting on the police band in the possession of other than law enforcement officials,
 - (6) identification documents, licenses and credentials not in the possession of the person to whom properly issued,
 - (7) ropes, saws, grappling hooks, fishing line, masks, artificial beards or mustaches, cutting wheels or string rope or line impregnated with cutting material or similar items to facilitate escapes,
 - (8) balloons, condoms, false-bottomed containers or other containers which could facilitate transfer of contraband.

COR 307.02 Contraband on prison grounds is prohibited. The possession, transport, introduction, use, sale or storage of contraband on the prison grounds without prior approval of the Commissioner of Corrections or his designee is prohibited under the provision of RSA 622:24 and RSA 622:25.

COR 307.03 Searches and Inspections Authorized.

- a) Any person or property on state prison grounds shall be subject to search to discover contraband...
Travel onto prison grounds shall constitute implied consent to search for contraband. In such cases where implied consent exists, the visitor will be given a choice of either consenting to the search or immediately leaving the prison grounds. Nothing in this rule however, prevents non-consensual searches in situations where probable cause exists to believe that the visitor is or had attempted to introduce contraband into the prison pursuant to the law of New Hampshire concerning search, seizure and arrest.
- b) All motor vehicles parked on prison grounds shall be locked and have the keys removed. Custodial personnel shall check to insure that vehicles are locked and shall visually inspect the plain view interior of the vehicles. Vehicles discovered unlocked shall be searched to insure that no contraband is present. Contraband discovered during searches shall be confiscated for evidence, as shall contraband discovered during plain view inspections.
- c) All persons entering the facilities to visit with residents or staff, or to perform services at the facilities or to tour the facilities shall be subject to having their persons checked. All items and clothing carried into the institution shall be searched for contraband.

<u>Joseph Pepe, MD</u> Name	<u></u> Signature	<u>3/17/2020</u> Date
<u>Carrie Perry</u> Witness Name	<u></u> Signature	<u>3.17.2020</u> Date

NH DEPARTMENT OF CORRECTIONS
RULES OF CONDUCT FOR PERSONS PROVIDING CONTRACT SERVICES

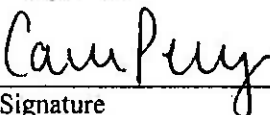
1. Engaging in any of the following activities with persons under departmental control is strictly prohibited:
 - a. Any contact, including correspondence, other than the performance of your services for which you have been contracted.
 - b. Giving or selling of anything
 - c. Accepting or buying anything
2. Any person providing contract services who is found to be under the influence of intoxicants or drugs will be removed from facility grounds and barred from future entry to NH Department of Corrections property.
3. Possession of any item considered to be contraband as defined in the New Hampshire code of Administrative Rules, Part COR 307 is a violation of the rules and the laws of the State of New Hampshire and may result in legal action under RSA 622:24 or other statutes.
4. In the event of any emergency situation, i.e., fire, disturbance, etc., you will follow the instructions of the escorting staff or report immediately to the closest available staff.
5. All rules, regulations and policies of the NH Department of Corrections are designed for the safety of the staff, visitors and residents, the security of the facility and an orderly flow of necessary movement and activities. If unsure of any policy and procedure, ask for immediate assistance from a staff member.
6. Harassment and discrimination directed toward anyone based on sex, race, creed, color, national origin or age are illegal under federal and state laws and will not be tolerated in the work place. Maintenance of a discriminatory work environment is also prohibited. Everyone has a duty to observe the law and will be subject to removal for failing to do so.
7. During the performance of your services you are responsible to the facility administrator, and by your signature below, agree to abide by all the rules, regulations, policies and procedures of the NH Department of Corrections and the State of New Hampshire.
8. In lieu of Contracted staff participating in the Corrections Academy, the Vendor through the Commissioner or his designees will establish a training/orientation facilitated by the Vendor to supplement this requirement and appropriate orient Vendor staff to the rules, regulations, policies and procedures of the Department of Corrections and the State of New Hampshire.

Joseph Pepe, MD
Name


Signature

3/17/2020
Date

Carrie Perry
Witness Name


Signature

3.17.2020
Date


NH DEPARTMENT OF CORRECTIONS
CONFIDENTIALITY OF INFORMATION AGREEMENT

I understand and agree that all employed by the organization/agency I represent must abide by all rules, regulations and laws of the State of New Hampshire and the NH Department of Corrections that relate to the confidentiality of records and all other privileged information.

I further agree that all employed by or subcontracted through the organization I represent are not to discuss any confidential or privileged information with family, friends or any persons not professionally involved with the NH Department of Corrections. If persons under Departmental control of the NH Department of Corrections, or, anyone outside of the NH Department of Corrections' employ approaches any of the organization's employees or subcontractors and requests information, the staff/employees of the organization I represent will immediately contact their supervisor, notify the NH Department of Corrections, and file an incident report or statement report with the appropriate NH Department of Corrections representative.

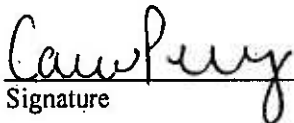
Any violation of the above may result in immediate termination of any and all contractual obligations.

Joseph Pepe, MD
Name


Signature

3/17/2020
Date

Carru Perry
Witness Name


Signature

3-17-2020
Date



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF CORRECTIONS
 DIVISION OF ADMINISTRATION

Helen E. Hanks
 Commissioner

Robin Maddaus
 Director

P.O. BOX 1806
 CONCORD, NH 03302-1806

603-271-5610 FAX: 1-888-908-6609
 TDD Access: 1-800-735-2964
 www.nh.gov/nhdoc

PRISON RAPE ELIMINATION ACT
 ACKNOWLEDGEMENT FORM

The Prison Rape Elimination Act (PREA) of 2003 (with Final Rule August 2012) is a federal law established to address the elimination and prevention of sexual assault and sexual harassment within correctional systems and detention facilities. This Act applies to all correctional facilities, including prisons, jails, juvenile facilities and community corrections residential facilities. PREA incidents involve the following conduct:

- Resident-on-resident sexual assault
- Resident-on-resident abusive sexual contact
- Staff sexual misconduct
- Staff sexual harassment, assault of a resident

The act aimed to curb prison rape through a "zero-tolerance" policy, as well as through research and information gathering. The NH Department of Corrections has zero tolerance relating to the sexual assault/rape of offenders and recognizes these offenders as crime victims. Due to this recognition and adherence to the federal Prison Rape Elimination Act (PREA) of 2003, the NH Department of Corrections extends the "zero tolerance" to the following:

- Contractor/subcontractor misconduct
- Contractor/subcontractor harassment, assault of a resident

As a Contractor and/or Subcontractor of the NH Department of Corrections, I acknowledge that I have been provided information on the Prison Rape Elimination Act of 2003 Public Law 108-79—Sept. 4, 2003 and have been informed that as a Contractor and/or Subcontractor of the NH Department of Corrections, sexual conduct between Contractor and/or Subcontractor and offenders is prohibited. Sexual harassment or sexual misconduct involving an offender can be a violation of NH RSA 632-A:2, 632-A:3 and 632-A:4, Chapter 632-A: Sexual Assault and Related Offenses, and result in criminal prosecution.

As a Contractor and/or Subcontractor of the NH Department of Corrections, I understand that I shall inform all employees of the Contractor and/or Subcontractor to adhere to all policies concerning PREA, RSA 632-A:2, RSA 632-A:3, RSA 632-A:4 and departmental policies including NHDOC PPD 5.19 - PREA: NHDOC Administrative Rules, Conduct and Confidentiality Information regarding my conduct, reporting of incidents and treatment of those under the supervision of the NH Department of Corrections. (Ref. RSA Chapter 632-A, NHDOC PPD 5.19 and Administrative Rules, Rules of Conduct for Persons Providing Contract Services, Confidentiality of Information Agreement).

Name (print): Joseph Pepe, MD Date: 3/17/2020
 (Name of Contract Signatory)

Signature: [Handwritten Signature]
 (Signature of Contract Signatory)

NH DEPARTMENT OF CORRECTIONS
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164. 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. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- b. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- c. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- d. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- e. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- f. "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.
- g. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- h. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- i. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- j. "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.
- k. 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.

(2) 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, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do 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 immediately notify Business Associate 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 on the 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. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, of which it becomes aware, within two (2) business days of becoming aware of such unauthorized use or disclosure or security incident.

b. Business Associate shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of protected health information, in electronic or any other form, that it creates, receives, maintains or transmits under this Agreement, in accordance with the Privacy and Security Rules, to prevent the use or disclosure of PHI other than as permitted by the Agreement.

c. 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.

d. 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)b and (3)k herein. 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 provision #13 of this Agreement for the purpose of use and disclosure of protected health information.

e. 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.

f. 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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 standard provision #10 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, as 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 and 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 k, the defense and indemnification provisions of section 3.d and standard contract provision #13, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT.

NH Department of Corrections

State of New Hampshire Agency Name

Helen E. Hanks

Signature of Authorized Representative

Helen E. Hanks

Authorized DOC Representative Name

Commissioner

Authorized DOC Representative Title

5/14/2020
Date

Catholic Medical Center

Contractor Name

Joseph Pepe

Contractor Representative Signature

Joseph Pepe, MD

Authorized Contractor Representative Name

President / CEO

Authorized Contractor Representative Title

3/17/2020
Date



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

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

Name: CATHOLIC MEDICAL CENTER
Located at: 100 MCGREGOR STREET
MANCHESTER NH 03102

To Operate: Hospital

Subtype: General

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

License#: [REDACTED]
Effective Date: 01/01/2020

Expiration Date: 12/31/2020

Administrator: JOSEPH PEPE, MD
Medical Director: WILLIAM GOODMAN, MD

Number of Beds: 330

Comments:

1. CRIM WAIVER 802.17(c)(1&2)

Mec

CENTERS FOR MEDICARE & MEDICAID SERVICES
CLINICAL LABORATORY IMPROVEMENT AMENDMENTS
CERTIFICATE OF PROVIDER-PERFORMED MICROSCOPY PROCEDURES

LABORATORY NAME AND ADDRESS
HEALTH CARE FOR THE HOMELESS
199 MANCHESTER STREET
MANCHESTER, NH 03103

CLIA ID NUMBER



EFFECTIVE DATE

10/08/2019

EXPIRATION DATE

10/07/2021

LABORATORY DIRECTOR
KEITH STAHL M.D.

Pursuant to Section 353 of the Public Health Services Act (42 U.S.C. 263a) as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above named laboratory located at the address shown hereon (and other approved locations) may accept human specimens for the purposes of performing laboratory examinations or procedures.

This certificate shall be valid until the expiration date above, but is subject to revocation, suspension, limitation, or other sanctions for violation of the Act or the regulations promulgated thereunder.



Karen W. Dyer, Director
Division of Laboratory Services
Survey and Certification Group
Center for Clinical Standards and Quality

51 Certs1_112819

If this is a Certificate of Registration, it represents only the enrollment of the laboratory in the CLIA program and does not indicate a Federal certification of compliance with other CLIA requirements. The laboratory is permitted to begin testing upon receipt of this certificate, but is not determined to be in compliance until a survey is successfully completed.

- If this is a Certificate for Provider-Performed Microscopy Procedures, it certifies the laboratory to perform only those laboratory procedures that have been specified as provider-performed microscopy procedures and, if applicable, examinations or procedures that have been approved as waived tests by the Department of Health and Human Services.
- If this is a Certificate of Waiver, it certifies the laboratory to perform only examinations or procedures that have been approved as waived tests by the Department of Health and Human Services.

FOR MORE INFORMATION ABOUT CLIA, VISIT OUR WEBSITE AT WWW.CMS.GOV/CLIA.
OR CONTACT YOUR LOCAL STATE AGENCY. PLEASE SEE THE REVERSE FOR
YOUR STATE AGENCY'S ADDRESS AND PHONE NUMBER.
PLEASE CONTACT YOUR STATE AGENCY FOR ANY CHANGES TO YOUR CURRENT CERTIFICATE.

DEA REGISTRATION NUMBER	THIS REGISTRATION EXPIRES	FEE PAID
[REDACTED]	08-31-2020	\$731
SCHEDULES	BUSINESS ACTIVITY	ISSUE DATE
2,2N,3 3N,4,5	HOSPITAL/CLINIC-COLLECTOR	07-24-2017
CATHOLIC MEDICAL CENTER HOSP PHARMACY DEPARTMENT 100 MCGREGOR STREET MANCHESTER, NH 03102		

CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE
 UNITED STATES DEPARTMENT OF JUSTICE
 DRUG ENFORCEMENT ADMINISTRATION
 WASHINGTON D.C. 20537

Sections 304 and 1008 (21 USC 824 and 958) of the Controlled Substances Act of 1970, as amended, provide that the Attorney General may revoke or suspend a registration to manufacture, distribute, dispense, import or export a controlled substance.

THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF OWNERSHIP, CONTROL, LOCATION, OR BUSINESS ACTIVITY, AND IT IS NOT VALID AFTER THE EXPIRATION DATE.

CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE
 UNITED STATES DEPARTMENT OF JUSTICE
 DRUG ENFORCEMENT ADMINISTRATION
 WASHINGTON D.C. 20537

DEA REGISTRATION NUMBER	THIS REGISTRATION EXPIRES	FEE PAID
[REDACTED]	08-31-2020	\$731
SCHEDULES	BUSINESS ACTIVITY	ISSUE DATE
2,2N,3 3N,4,5	HOSPITAL/CLINIC-COLLECTOR	07-24-2017
CATHOLIC MEDICAL CENTER HOSP PHARMACY DEPARTMENT 100 MCGREGOR STREET MANCHESTER, NH 03102		

Sections 304 and 1008 (21 USC 824 and 958) of the Controlled Substances Act of 1970, as amended, provide that the Attorney General may revoke or suspend a registration to manufacture, distribute, dispense, import or export a controlled substance.

THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF OWNERSHIP, CONTROL, LOCATION, OR BUSINESS ACTIVITY, AND IT IS NOT VALID AFTER THE EXPIRATION DATE.

Form DEA-223 (9/2016)

BB Accreditation

Catholic Medical Center

having been assessed by A.A.B.B. has been found to meet the requirements of applicable Standards of this organization and therefore is granted this

CERTIFICATE OF ACCREDITATION

for the following activities:

Transfusion Activities

In Witness whereof the undersigned, being duly authorized, have caused this Certificate to be issued and the A.A.B.B. Corporate Seal to be affixed.

Effective Dates

July 01, 2018 - June 30, 2020



MaryBeth Banitt

President, AABB

Daniel J. Trench, MD

Chair, Accreditation Program Committee



American College of Radiology

PET Services of

Catholic Medical Center

100 McGregor Street
Manchester, New Hampshire 03102

were surveyed by the
Committee on Nuclear Medicine Accreditation of the
Commission on Quality and Safety

The following unit was approved

General Electric Medical Systems DISCOVERY ST E 2015

For

Oncology

Accredited from:

June 12, 2017 through June 12, 2020

M. Akesani

CHAIR, COMMITTEE ON NUCLEAR MEDICINE ACCREDITATION

Alan Tye M.D.

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY



Catholic Medical Center

Manchester, NH

has been Accredited by




The Joint Commission


Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

January 12, 2018

Accreditation is customarily valid for up to 36 months.


Craig W. Jones, FACHE
Chair, Board of Commissioners

ID: XXXXXXXXXX
Print/Reprint Date: 06/20/2018


Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



Catholic Medical Center

Mission Statement, Values and Vision Statement

2020

Mission

The heart of Catholic Medical Center is to carry out Christ's healing ministry by offering **health, healing and hope** to every individual who seeks our care.

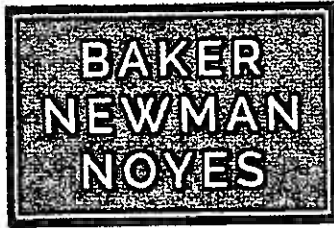
Values

Our values are rooted in the fundamental values of promoting and defending human dignity and respecting the sacredness of human life. We are committed to:

- Compassion
- Respect
- Patient-Centered Care
- Human Dignity
- Excellence

Vision

Guided by our Mission and Values, we are committed to becoming the finest customer experience, lowest cost, and best outcome provider in the region.



CMC Healthcare System, Inc.

**Audited Consolidated Financial Statements
and Other Financial Information**

*Years Ended September 30, 2019 and 2018
With Independent Auditors' Report*

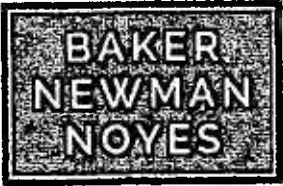
CMC HEALTHCARE SYSTEM, INC.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

Years Ended September 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
CMC Healthcare System, Inc.

We have audited the accompanying consolidated financial statements of CMC Healthcare System, Inc., which comprise the consolidated balance sheets as of September 30, 2019 and 2018, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Trustees
CMC Healthcare System, Inc.

Opinion

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

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, in 2019, CMC Healthcare System, Inc. adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* and applied the guidance retrospectively for all periods presented. Our opinion is not modified with respect to this matter.

Baker Newman & Noyes LLC

Manchester, New Hampshire
February 4, 2020

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED BALANCE SHEETS

September 30, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 56,249,490	\$ 61,849,320
Short-term investments	4,021,270	29,009,260
Accounts receivable, less allowance for doubtful accounts of \$20,265,887 in 2019 and \$20,526,837 in 2018	79,322,642	55,326,986
Inventories	4,600,802	3,583,228
Other current assets	<u>14,198,223</u>	<u>10,664,957</u>
Total current assets	158,392,427	160,433,751
Property, plant and equipment, net	143,111,363	134,597,894
Other assets:		
Intangible assets and other	18,600,614	17,581,549
Assets whose use is limited:		
Pension and insurance obligations	18,832,810	17,859,458
Board designated and donor restricted investments and restricted grants	129,341,870	127,267,085
Held by trustee under revenue bond agreements	<u>18,845,355</u>	<u>36,660,053</u>
	<u>167,020,035</u>	<u>181,786,596</u>
Total assets	<u>\$487,124,439</u>	<u>\$494,399,790</u>

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 38,985,902	\$ 30,789,153
Accrued salaries, wages and related accounts	22,973,478	22,673,489
Amounts payable to third-party payors	11,456,467	14,643,104
Current portion of long-term debt	<u>4,158,079</u>	<u>4,365,199</u>
Total current liabilities	77,573,926	72,470,945
Accrued pension and other liabilities, less current portion	172,049,836	122,463,230
Long-term debt, less current portion	<u>121,883,751</u>	<u>122,913,717</u>
Total liabilities	371,507,513	317,847,892
Net assets:		
Without donor restrictions	104,372,035	166,125,080
With donor restrictions	<u>11,244,891</u>	<u>10,426,818</u>
Total net assets	115,616,926	176,551,898
	-----	-----
Total liabilities and net assets	<u>\$487,124,439</u>	<u>\$494,399,790</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net patient service revenues, net of contractual allowances and discounts	\$465,757,562	\$452,510,375
Provision for doubtful accounts	<u>(21,644,644)</u>	<u>(20,334,249)</u>
Net patient service revenues less provision for doubtful accounts	444,112,918	432,176,126
Other revenue	21,610,585	19,454,686
Disproportionate share funding	<u>22,566,094</u>	<u>17,993,289</u>
Total revenues	488,289,597	469,624,101
Expenses:		
Salaries, wages and fringe benefits	284,646,960	266,813,278
Supplies and other	169,119,057	160,290,214
New Hampshire Medicaid enhancement tax	21,382,132	19,968,497
Depreciation and amortization	16,902,437	16,136,984
Interest	<u>4,224,046</u>	<u>4,368,765</u>
Total expenses	<u>496,274,632</u>	<u>467,577,738</u>
(Loss) income from operations	(7,985,035)	2,046,363
Nonoperating gains (losses):		
Investment income, net	4,120,862	6,086,794
Net periodic pension cost, other than service cost	(640,624)	(1,099,092)
Contributions without donor restrictions	834,004	629,198
Development costs	(739,596)	(635,408)
Other nonoperating loss	<u>(3,135,699)</u>	<u>(489,294)</u>
Total nonoperating gains, net	<u>438,947</u>	<u>4,492,198</u>
(Deficiency) excess of revenues and gains over expenses	(7,546,088)	6,538,561
Unrealized appreciation on investments	912,170	2,325,151
Change in fair value of interest rate swap agreement	(482,735)	302,826
Assets released from restriction used for capital	434,010	128,600
Pension-related changes other than net periodic pension cost	<u>(55,070,402)</u>	<u>20,436,931</u>
Change in net assets without donor restrictions	(61,753,045)	29,732,069
Net assets without donor restrictions at beginning of year	<u>166,125,080</u>	<u>136,393,011</u>
Net assets without donor restrictions at end of year	<u>\$104,372,035</u>	<u>\$166,125,080</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2019 and 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
Balances at September 30, 2017	\$136,393,011	\$ 9,726,007	\$146,119,018
Excess of revenues and gains over expenses	6,538,561	-	6,538,561
Restricted investment income	-	27,373	27,373
Changes in interest in perpetual trust	-	341,439	341,439
Donor restricted contributions	-	646,924	646,924
Unrealized appreciation on investments	2,325,151	61,431	2,386,582
Change in fair value of interest rate swap agreement	302,826	-	302,826
Assets released from restriction used for operations	-	(247,756)	(247,756)
Assets released from restriction used for capital	128,600	(128,600)	-
Pension-related changes other than net periodic pension cost	<u>20,436,931</u>	<u>-</u>	<u>20,436,931</u>
	<u>29,732,069</u>	<u>700,811</u>	<u>30,432,880</u>
Balances at September 30, 2018	166,125,080	10,426,818	176,551,898
Deficiency of revenues and gains over expenses	(7,546,088)	-	(7,546,088)
Restricted investment income	-	31,596	31,596
Changes in interest in perpetual trust	-	(110,168)	(110,168)
Donor restricted contributions	-	1,536,316	1,536,316
Unrealized appreciation on investments	912,170	15,219	927,389
Change in fair value of interest rate swap agreement	(482,735)	-	(482,735)
Assets released from restriction used for operations	-	(220,880)	(220,880)
Assets released from restriction used for capital	434,010	(434,010)	-
Pension-related changes other than net periodic pension cost	<u>(55,070,402)</u>	<u>-</u>	<u>(55,070,402)</u>
	<u>(61,753,045)</u>	<u>818,073</u>	<u>(60,934,972)</u>
Balances at September 30, 2019	<u>\$104,372,035</u>	<u>\$11,244,891</u>	<u>\$115,616,926</u>

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating activities:		
Change in net assets	\$ (60,934,972)	\$ 30,432,880
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	16,902,437	16,136,984
Pension-related changes other than net periodic pension cost	55,070,402	(20,436,931)
Restricted gifts and investment income	(1,567,912)	(674,297)
Net realized and unrealized gains on investments	(803,714)	(5,304,630)
Change in interest in perpetual trust	110,168	(341,439)
Change in fair value of interest rate swap agreement	482,735	(487,593)
Bond discount/premium and issuance cost amortization	(289,968)	(313,993)
Change in operating assets and liabilities:		
Accounts receivable, net	(23,995,656)	(5,828,809)
Inventories	(1,017,574)	(176,498)
Other current assets	(3,533,266)	1,711,535
Other assets	(1,049,682)	(1,031,639)
Accounts payable and accrued expenses	6,945,059	(5,312,460)
Accrued salaries, wages and related accounts	299,989	2,561,918
Amounts payable to third-party payors	(3,186,637)	291,872
Accrued pension and other liabilities	<u>(5,978,340)</u>	<u>6,039,303</u>
Net cash (used) provided by operating activities	(22,546,931)	17,266,203
Investing activities:		
Purchases of property, plant and equipment	(24,121,790)	(36,812,874)
Net change in assets held by trustee under revenue bond agreements	17,814,698	14,819,012
Proceeds from sales of investments	54,831,303	32,671,019
Purchases of investments	<u>(31,397,904)</u>	<u>(40,605,899)</u>
Net cash provided (used) by investing activities	17,126,307	(29,928,742)
Financing activities:		
Payments on long-term debt	(3,689,000)	(11,509,593)
Proceeds from issuance of long-term debt	3,513,632	8,130,000
Payments on capital leases	(676,199)	(707,299)
Bond issuance costs	(95,551)	(120,118)
Restricted gifts and investment income	<u>767,912</u>	<u>674,297</u>
Net cash used by financing activities	<u>(179,206)</u>	<u>(3,532,713)</u>
Decrease in cash and cash equivalents	(5,599,830)	(16,195,252)
Cash and cash equivalents at beginning of year	<u>61,849,320</u>	<u>78,044,572</u>
Cash and cash equivalents at end of year	<u>\$ 56,249,490</u>	<u>\$ 61,849,320</u>

Supplemental disclosure:

At September 30, 2019, amounts totaling \$1,251,690 related to the purchase of property, plant and equipment were included in accounts payable and accrued expenses.

See accompanying notes.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

1. Organization

CMC Healthcare System, Inc. (the System) is a not-for-profit organization formed effective July 1, 2001. The System functioned as the parent company and sole member of Catholic Medical Center (the Medical Center) (until December 31, 2016, as discussed below), Physician Practice Associates, Inc. (PPA), Alliance Enterprises, Inc. (Enterprises), Alliance Resources, Inc. (Resources), Alliance Ambulatory Services, Inc. (AAS), Alliance Health Services, Inc. (AHS), Doctors Medical Association, Inc. (DMA) and St. Peter's Home, Inc.

On December 30, 2016, the System became affiliated with Huggins Hospital (HH), a 25-bed critical access hospital in Wolfeboro, New Hampshire, and Monadnock Community Hospital (MCH), a 25-bed critical access hospital in Peterborough, New Hampshire, through the formation of a common parent, GraniteOne Health (GraniteOne). GraniteOne is a New Hampshire voluntary corporation that is recognized as being a Section 501(c)(3) tax-exempt and "supporting organization" within the meaning of Section 509(a)(3) of the Internal Revenue Code of 1986, as amended (the Code). GraniteOne serves as the sole member of HH and MCH and co-member of the Medical Center, along with the System. GraniteOne is governed by a thirteen member Board of Trustees appointed by each of the respective hospitals within the GraniteOne system. The GraniteOne Board of Trustees governs the GraniteOne system through the existence and execution of reserved powers to approve certain actions by the Boards of Trustees of each of the hospitals. Through GraniteOne, this more integrated healthcare system enhances the affiliated hospitals' ability to coordinate the delivery of patient care, implement best practices, eliminate inefficiencies and collaborate on regional planning. These efforts strengthen the hospitals' ability to meet the healthcare needs of their respective communities and provide for a more seamless patient experience across the continuum of care. The accompanying consolidated financial statements for the years ended September 30, 2019 and 2018 do not include the accounts and activity of GraniteOne, HH and MCH.

On September 30, 2019, GraniteOne, the Medical Center, the System, certain subsidiaries of the System, HH and MCH entered into a Combination Agreement (the Agreement) with Dartmouth-Hitchcock Health (D-HH) to combine GraniteOne and D-HH and its members into a more fully integrated healthcare delivery system. Pursuant to the terms of the Agreement, the parties intend to revise D-HH's corporate name to Dartmouth-Hitchcock Health GraniteOne (D-HH GO), which will continue to serve as the sole corporate member of the existing D-HH System Members (Mary Hitchcock Memorial Health and Dartmouth-Hitchcock Clinic, New London Hospital (NLH), Cheshire Medical Center (Cheshire), Mt. Ascutney Hospital and Health Center (MAHHC), Alice Peck Day Memorial Hospital (APD) and Visiting Nurse and Hospice for Vermont and New Hampshire (VNH)), and which will be substituted for GraniteOne as the sole corporate member of HH and MCH and as co-member, of the Medical Center and certain subsidiaries of the System (the Combination). The overarching goal of the Combination is to create a New Hampshire-based, integrated and regionally distributed health care delivery system that better serves its patients and communities. While the System will not be a component of the D-HH GO System, it will continue to serve as the corporate vehicle through which the Bishop of the Diocese of Manchester (the Bishop) ensures the Medical Center's adherence to the Ethical and Religious Directives for Catholic Health Care Services. Neither the System nor the Bishop will have authority over any other D-HH GO System Member, including HH and MCH. Subject to certain rights reserved to the Bishop and the System with respect to the Medical Center and the System's subsidiaries, D-HH GO will reserve to itself certain approval and initiation powers over the governance, financial, programmatic, administrative, and strategic decisions of D-HH GO System Members.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

1. Organization (Continued)

On December 30, 2019, GraniteOne, the Medical Center, HH and MCH submitted a Joint Notice of Change of Control to the New Hampshire Attorney General, Director of Charitable Trusts pursuant to New Hampshire RSA 7:19-b beginning the regulatory review and approval process of the Combination. If all necessary approvals are obtained and closing conditions satisfied, D-HH GO will consist of a major academic medical center offering tertiary and quaternary services, an acute care community hospital in an urban setting (the Medical Center), an acute care community hospital in a rural setting (Cheshire), five rural critical access hospitals (NLH, MAHHC, APD, HH and MCH), a post-acute home health and hospice provider (VNH), and nearly 1,800 employed and affiliated primary and specialty care physicians. D-HH GO System Members will combine their resources to offer a broader array of inpatient, outpatient and ambulatory services.

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting.

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center, PPA, Enterprises, Resources, AAS, AHS, DMA and St. Peter's Home, Inc. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The primary estimates relate to collectibility of receivables from patients and third-party payors, amounts payable to third-party payors, accrued compensation and benefits, conditional asset retirement obligations, and self-insurance reserves.

Income Taxes

The System and all related entities, with the exception of Enterprises and DMA, are not-for-profit corporations as described in Section 501(c)(3) of the Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the consolidated financial statements.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Enterprises and DMA are for-profit organizations and, in accordance with federal and state tax laws, file income tax returns, as applicable. There was no significant provision for income taxes for the years ended September 30, 2019 and 2018. There are no significant deferred tax assets or liabilities. These entities have concluded there are no significant uncertain tax positions requiring disclosure and there is no material liability for unrecognized tax benefits. It is the policy of these entities to recognize interest related to unrecognized tax benefits in interest expense and penalties in income tax expense.

Performance Indicator

(Deficiency) excess of revenues and gains over expenses is comprised of operating revenues and expenses and nonoperating gains and losses. For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains or losses, which include contributions without donor restrictions, development costs, net investment income (including realized gains and losses on the sales of investments), net periodic pension costs (other than service cost), other nonoperating losses, and contributions to community agencies.

Charity Care

The System has a formal charity care policy under which patient care is provided to patients who meet certain criteria without charge or at amounts less than its established rates. The System does not pursue collection of amounts determined to qualify as charity care; therefore, they are not reported as revenues.

Of the System's \$496,274,632 total expenses reported for the year ended September 30, 2019, an estimated \$7,700,000 arose from providing services to charity patients. Of the System's \$467,577,738 total expenses reported for the year ended September 30, 2018, an estimated \$7,500,000 arose from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the System's total expenses divided by gross patient service revenue.

Concentration of Credit Risk

Financial instruments which subject the System to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the System's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The System's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. The System's investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the SSGA S&P 500 Tobacco Free Fund and the Dreyfus Treasury Securities Cash Management Fund as of September 30, 2019 and 2018.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include certificates of deposit with maturities of three months or less when purchased and investments in overnight deposits at various banks. Cash and cash equivalents exclude amounts whose use is limited by board designation and amounts held by trustees under revenue bond and other agreements. The System maintains approximately \$52,000,000 and \$60,000,000 at September 30, 2019 and 2018, respectively, of its cash and cash equivalent accounts with a single institution. The System has not experienced any losses associated with deposits at this institution.

Net Patient Service Revenues and Accounts Receivable

The System has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the year the related services are rendered and adjusted in future years as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

The System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the System provides a discount approximately equal to that of its largest private insurance payors.

The provision for doubtful accounts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. The System records a provision for doubtful accounts in the year services are provided related to self-pay patients, including both uninsured patients and patients with deductible and copayment balances due for which third-party coverage exists for a portion of their balance.

Periodically, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience. The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts. Accounts receivable are written off after collection efforts have been followed in accordance with internal policies.

Inventories

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

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Related Party Activity

The Medical Center has engaged in various transactions with GraniteOne, HH and MCH. The Medical Center recognized approximately \$3.3 million and \$3.4 million in revenue from these related parties for the years ended September 30, 2019 and 2018, respectively, which is reflected within other revenues in the accompanying consolidated statements of operations. The Medical Center also incurred expenses to these related parties of approximately \$2.5 million and \$399,000 for the years ended September 30, 2019 and 2018, respectively, of which \$800,000 and \$399,000, respectively, is reflected within operating expenses. Additionally, approximately \$1.7 million as of September 30, 2019 is reflected within nonoperating gains (losses) in the accompanying consolidated statement of operations for the year ended September 30, 2019. As of September 30, 2019, the Medical Center had a net amount due from these related parties of approximately \$2.6 million, of which \$4.4 million is reflected within other current assets and \$1.8 million is reflected within accounts payable and accrued expenses in the accompanying 2019 consolidated balance sheet. As of September 30, 2018, the Medical Center has a net amount due from these related parties of approximately \$507,000, which is reflected within other current assets in the accompanying 2018 consolidated balance sheet.

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase or fair value at the time of donation, less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provisions for depreciation and amortization have been determined using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives, which range from 2 to 40 years. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Conditional Asset Retirement Obligations

The System recognizes the fair value of a liability for legal obligations associated with asset retirements in the year in which the obligation is incurred, in accordance with the Accounting Standards for *Accounting for Asset Retirement Obligations* (ASC 410-20). When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long lived asset. The liability is accreted to its present value each year, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations.

As of September 30, 2019 and 2018, \$1,036,702 and \$1,078,784, respectively, of conditional asset retirement obligations are included within accrued pension and other liabilities in the accompanying consolidated balance sheets.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Goodwill

The System reviews its goodwill and other long-lived assets annually to determine whether the carrying amount of such assets is impaired. Upon determination that an impairment has occurred, these assets are reduced to fair value. There were no impairments recorded for the years ended September 30, 2019 or 2018. The net carrying value of goodwill is \$4,490,154 at September 30, 2019 and 2018 and is reflected within intangible assets and other in the accompanying consolidated balance sheets.

Retirement Benefits

The Catholic Medical Center Pension Plan (the Plan) provides retirement benefits for certain employees of the Medical Center and PPA who have attained age twenty-one and work at least 1,000 hours per year. The Plan consists of a benefit accrued to July 1, 1985, plus 2% of plan year earnings (to legislative maximums) per year. The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as may be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

Effective January 1, 2008 the Medical Center decided to close participation in the Plan to new participants. As of January 1, 2008, current participants continued to participate in the Plan while new employees receive a higher matching contribution to the tax-sheltered annuity benefit program discussed below.

During 2011, the Board of Trustees voted to freeze the accrual of benefits under the Plan effective December 31, 2011.

The Plan was amended effective as of May 1, 2016 to provide a limited opportunity for certain terminated vested participants to elect an immediate lump sum or annuity distribution option.

The System also maintains tax-sheltered annuity benefit programs in which it matches one half of employee contributions up to 3% of their annual salary, depending on date of hire, plus an additional 3% - 5% based on tenure. The System made matching contributions under the program of \$8,462,595 and \$7,733,193 for the years ended September 30, 2019 and 2018, respectively.

During 2007, the Medical Center created a nonqualified deferred compensation plan covering certain employees under Section 457(b) of the Code. Under the plan, a participant may elect to defer a portion of their compensation to be held until payment in the future to the participant or his or her beneficiary. Consistent with the requirements of the Code, all amounts of deferred compensation, including but not limited to any investments held and all income attributable to such amounts, property, and rights will remain subject to the claims of the Medical Center's creditors, without being restricted to the payment of deferred compensation, until payment is made to the participant or their beneficiary. No contributions were made by the System for the years ended September 30, 2019 or 2018.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

The System also provides a noncontributory supplemental executive retirement plan covering certain former executives of the Medical Center, as defined. The System's policy is to accrue costs under this plan using the "Projected Unit Credit Actuarial Cost Method" and to amortize past service costs over a fifteen year period. Benefits under this plan are based on the participant's final average salary, social security benefit, retirement income plan benefit, and total years of service. Certain investments have been designated for payment of benefits under this plan and are included in assets whose use is limited—pension and insurance obligations.

During 2007, the System created a supplemental executive retirement plan covering certain executives of the Medical Center under Section 457(f) of the Code. The System recorded compensation expense of \$661,215 and \$682,820 for the years ended September 30, 2019 and 2018, respectively, related to this plan.

Employee Fringe Benefits

The System has an "earned time" plan. Under this plan, each qualifying employee "earns" hours of paid leave for each pay period worked. These hours of paid leave may be used for vacations, holidays, or illness. Hours earned but not used are vested with the employee and are paid to the employee upon termination. The System expenses the cost of these benefits as they are earned by the employees.

Debt Issuance Costs/Original Issue Discount or Premium

The debt issuance costs incurred to obtain financing for the System's construction and renovation programs and refinancing of prior bonds and the original issue discount or premium are amortized to interest expense using the effective interest method over the repayment period of the bonds. The original issue discount or premium and debt issuance costs are presented as a component of long-term debt.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, pension and insurance obligations, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. Donated investments, supplies and equipment are reported at fair value at the date of receipt. Unconditional promises to give cash and other assets are reported at fair value at the date of the receipt of the promise. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the System in perpetuity.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Except for contributions related to capital purchases, donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions within net assets without donor restrictions in the accompanying consolidated financial statements.

Pledges Receivable

Pledges receivable are recognized as revenue when the unconditional promise to give is made. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows is measured utilizing risk-free rates of return adjusted for market and credit risk established at the time a contribution is received.

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. See Note 8 for further discussion regarding fair value measurements. Investment income (including realized gains and losses on investments and interest and dividends) is included in the (deficiency) excess of revenues and gains over expenses unless the income is restricted by donor or law, in which case it is reported as an increase or decrease in net assets with donor restrictions. Realized gains or losses on the sale of investment securities are determined by the specific identification method and are recorded on the settlement date. Unrealized gains and losses on investments are excluded from the (deficiency) excess of revenues and gains over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary.

Derivative Instruments

Derivatives are recognized as either assets or liabilities in the consolidated balance sheets at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivatives are recognized either in the (deficiency) excess of revenues and gains over expenses or net assets, depending on whether the derivative is speculative or being used to hedge changes in fair value or cash flows. See also Note 6.

Beneficial Interest in Perpetual Trust

The System is the beneficiary of trust funds administered by trustees or other third parties. Trusts wherein the System has the irrevocable right to receive the income earned on the trust assets in perpetuity are recorded as net assets with donor restrictions at the fair value of the trust at the date of receipt. Income distributions from the trusts are reported as investment income that increase net assets without donor restrictions, unless restricted by the donor. Annual changes in the fair value of the trusts are recorded as increases or decreases to net assets with donor restrictions.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Endowment, Investment and Spending Policies

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

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal, including its appreciation, intact.

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

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

Specific purpose funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

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

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4% to 5%, over a long-term time horizon.

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

Federal Grant Revenue and Expenditures

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

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Malpractice Loss Contingencies

The System has a claims-made basis policy for its malpractice insurance coverage. A claims-made basis policy provides specific coverage for claims reported during the policy term. The System has established a reserve to cover professional liability exposure, which may not be covered by insurance. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System. In the event a loss contingency should occur, the System would give it appropriate recognition in its consolidated financial statements in conformity with accounting standards. The System expects to be able to obtain renewal or other coverage in future years.

In accordance with Accounting Standards Update (ASU) No. 2010-24, "Health Care Entities" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2019 and 2018, the System recorded a liability of \$13,252,269 and \$12,520,618, respectively, related to estimated professional liability losses covered under this policy. At September 30, 2019 and 2018, the System also recorded a receivable of \$9,584,019 and \$8,829,118, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other liabilities, and intangible assets and other, respectively, on the consolidated balance sheets.

Workers' Compensation

The System maintains workers' compensation insurance under a self-insured plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the System against excessive losses. The System has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of \$3,069,898 and \$3,061,261 at September 30, 2019 and 2018, respectively, have been discounted at 1.25% and, in management's opinion, provide an adequate reserve for loss contingencies. At September 30, 2019, \$1,397,510 and \$1,672,388 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. The System has also recorded \$258,107 and \$408,034 within other current assets and intangible assets and other, respectively, in the accompanying consolidated balance sheets to limit the accrued losses to the retention amount at September 30, 2019. At September 30, 2018, \$1,359,646 and \$1,701,615 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. The System has also recorded \$248,403 and \$408,513 within other current assets and intangible assets and other, respectively; in the accompanying consolidated balance sheets to limit the accrued losses to the retention amount at September 30, 2018.

Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company and the System has employed independent actuaries to estimate unpaid claims, and those claims incurred but not reported at fiscal year end. The System was insured above a stop-loss amount of \$570,000 and \$375,000 at September 30, 2019 and 2018, respectively, on individual claims. Estimated unpaid claims, and those claims incurred but not reported, at September 30, 2019 and 2018 of \$2,334,000 and \$2,849,427, respectively, are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

Functional Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in Note 11. Accordingly, costs have been allocated among program services and supporting services benefitted.

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately \$1,298,000 and \$1,918,000 for the years ended September 30, 2019 and 2018, respectively.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) (ASU 2016-14) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for the System for the year ended September 30, 2019. The System has adjusted the presentation of these consolidated financial statements and related disclosures accordingly. ASU 2016-14 has been applied retrospectively to all periods presented. The adoption of ASU 2016-14 had no impact to changes in net assets or total net assets in 2019 or 2018.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (ASU 2014-09)*, which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the System expects to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the System on October 1, 2019. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The System is evaluating the impact that ASU 2014-09 will have on its revenue recognition policies, but does not expect the new pronouncement will have a material impact on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities (ASU 2016-01)*. The amendments in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for the System for the year ended September 30, 2020, with early adoption permitted. The System is currently evaluating the impact that ASU 2016-01 will have on its consolidated financial statements.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

2. Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the System on October 1, 2021, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The System is currently evaluating the impact of the pending adoption of ASU 2016-02 on the System's consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)* (ASU 2016-18), which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the System's fiscal year ended September 30, 2020, and early adoption is permitted. ASU 2016-18 must be applied using a retrospective transition method. The System is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 is effective for the System on October 1, 2019, with early adoption permitted. The System is currently evaluating the impact that ASU 2018-08 will have on its consolidated financial statements.

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

Subsequent Events

Management of the System evaluated events occurring between the end of the System's fiscal year and February 4, 2020, the date the consolidated financial statements were available to be issued.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

3. **Financial Assets and Liquidity Resources**

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs, consisted of the following at September 30, 2019:

Cash and cash equivalents	\$ 56,249,490
Short-term investments	4,021,270
Accounts receivable	<u>79,322,642</u>
	<u>\$139,593,402</u>

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated assets that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of September 30, 2019, the balance in board-designated assets was approximately \$110 million.

4. **Net Patient Service Revenue**

The following summarizes net patient service revenue for the years ended September 30:

	<u>2019</u>	<u>2018</u>
Gross patient service revenue	\$1,435,238,995	\$1,341,051,947
Less contractual allowances	(969,481,433)	(888,541,572)
Less provision for doubtful accounts	<u>(21,644,644)</u>	<u>(20,334,249)</u>
Net patient service revenue	<u>\$ 444,112,918</u>	<u>\$ 432,176,126</u>

The System maintains contracts with the Social Security Administration ("Medicare") and the State of New Hampshire Department of Health and Human Services ("Medicaid"). The System is paid a prospectively determined fixed price for each Medicare and Medicaid inpatient acute care service depending on the type of illness or the patient's diagnosis related group classification. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. The System receives payment for other Medicaid outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports.

Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known. The percentage of net patient service revenues earned from the Medicare and Medicaid programs was 37% and 5%, respectively, for the year ended September 30, 2019 and 39% and 5%, respectively, for the year ended September 30, 2018.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

4. Net Patient Service Revenue (Continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System believes that it is in compliance with all applicable laws and regulations; compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs (Note 15).

The System also maintains contracts with certain commercial carriers, health maintenance organizations, preferred provider organizations and state and federal agencies. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee screens. The System does not currently hold reimbursement contracts which contain financial risk components.

The approximate percentages of patient service revenues, net of contractual allowances and discounts and provision for doubtful accounts for the years ended September 30 from third-party payors and uninsured patients are as follows:

	<u>Third-Party Payors</u>	<u>Uninsured Patients</u>	<u>Total All Payors</u>
2019			
Net patient service revenues, net of contractual allowance and discounts	99.4%	0.6%	100.0%
2018			
Net patient service revenues, net of contractual allowance and discounts	99.6%	0.4%	100.0%

An estimated breakdown of patient service revenues, net of contractual allowances, discounts and provision for doubtful accounts recognized for the years ended September 30 from major payor sources, is as follows:

	<u>Gross Patient Service Revenues</u>	<u>Contractual Allowances and Discounts</u>	<u>Provision for Doubtful Accounts</u>	<u>Net Patient Service Revenues Less Provision for Doubtful Accounts</u>
2019				
Private payors (includes coinsurance and deductibles)	\$ 524,868,968	\$(264,786,990)	\$(7,676,695)	\$ 252,405,283
Medicaid	151,316,824	(128,250,350)	(332,821)	22,733,653
Medicare	725,090,044	(555,260,823)	(3,439,271)	166,389,950
Self-pay	<u>33,963,159</u>	<u>(21,183,270)</u>	<u>(10,195,857)</u>	<u>2,584,032</u>
	<u>\$1,435,238,995</u>	<u>\$(969,481,433)</u>	<u>\$(21,644,644)</u>	<u>\$444,112,918</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

4. Net Patient Service Revenue (Continued)

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2018				
Private payors (includes coin- surance and deductibles)	\$ 477,457,407	\$(229,413,775)	\$ (9,298,563)	\$ 238,745,069
Medicaid	137,508,097	(113,364,379)	(651,292)	23,492,426
Medicare	695,141,198	(523,976,071)	(3,140,980)	168,024,147
Self-pay	<u>30,945,245</u>	<u>(21,787,347)</u>	<u>(7,243,414)</u>	<u>1,914,484</u>
	<u>\$1,341,051,947</u>	<u>\$(888,541,572)</u>	<u>\$(20,334,249)</u>	<u>\$ 432,176,126</u>

The System recognizes changes in accounting estimates for net patient service revenues and third-party payor settlements as new events occur or as additional information is obtained. For the year ended September 30, 2019, there were no significant adjustments recorded for changes to prior year estimates. For the year ended September 30, 2018, favorable adjustments recorded for changes to prior year estimates were approximately \$1,000,000.

Medicaid Enhancement Tax and Disproportionate Share Payment

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.40% of the Medical Center's net patient service revenues with certain exclusions. The amount of tax incurred by the Medical Center for the years ended September 30, 2019 and 2018 was \$21,382,132 and \$19,968,497, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded in operating revenues and amounted to \$22,566,094 and \$17,993,289 for the years ended September 30, 2019 and 2018, respectively, net of reserves referenced below.

The Centers for Medicare and Medicaid Services (CMS) has completed audits of the State's program and the disproportionate share payments made by the State from 2011 through 2014, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The System has recorded reserves to address its potential exposure based on the audit results to date or any future redistributions. During 2019, the System reduced the recorded reserves by approximately \$4,300,000.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

5. Property, Plant and Equipment

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

	<u>Useful Lives</u>	<u>2019</u>	<u>2018</u>
Land and land improvements	2-40 years	\$ 4,246,500	\$ 3,630,354
Buildings and improvements	2-40 years	137,678,182	128,776,786
Fixed equipment	3-25 years	47,021,894	46,562,689
Movable equipment	3-25 years	154,415,222	138,314,958
Construction in progress		<u>8,565,604</u>	<u>9,269,135</u>
		351,927,402	326,553,922
Less accumulated depreciation and amortization		<u>(208,816,039)</u>	<u>(191,956,028)</u>
Net property, plant and equipment		<u>\$ 143,111,363</u>	<u>\$ 134,597,894</u>

Depreciation expense amounted to \$16,860,011 and \$16,092,263 for the years ended September 30, 2019 and 2018, respectively.

The cost of equipment under capital leases was \$7,844,527 at September 30, 2019 and 2018. Accumulated amortization of the leased equipment at September 30, 2019 and 2018 was \$7,691,462 and \$7,059,231, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense.

6. Long-Term Debt and Notes Payable

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

	<u>2019</u>	<u>2018</u>
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds:		
Series 2012 Bonds with interest ranging from 4.00% to 5.00% per year and principal payable in annual installments ranging from \$1,125,000 to \$2,755,000 through July 2032	\$ 19,800,000	\$ 22,450,000
Series 2015A Bonds with interest at a fixed rate of 2.27% per year and principal payable in annual installments ranging from \$185,000 to \$1,655,000 through July 2040	21,650,000	22,255,000
Series 2015B with variable interest subject to interest rate swap described below and principal payable in annual installments ranging from \$195,000 to \$665,000 through July 2036	8,060,000	8,260,000

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

6. Long-Term Debt and Notes Payable (Continued)

	<u>2019</u>	<u>2018</u>
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds (Continued): Series 2017 Bonds with interest ranging from 3.38% to 5.00% per year and principal payable in annual installments ranging from \$2,900,000 to \$7,545,000 beginning in July 2033 through July 2044	\$ 61,115,000 110,625,000	\$ 61,115,000 114,080,000
Construction loan – see below	3,513,632	–
MOB LLC note payable – see below	7,798,500	8,032,500
Capitalized lease obligations	344,079	1,020,278
Unamortized original issue premiums/discounts	5,057,437	5,450,325
Unamortized debt issuance costs	<u>(1,296,818)</u>	<u>(1,304,187)</u>
	126,041,830	127,278,916
Less current portion	<u>(4,158,079)</u>	<u>(4,365,199)</u>
	<u>\$121,883,751</u>	<u>\$122,913,717</u>

The Authority Revenue Bonds

In December 2012, the Medical Center, in connection with the Authority, issued \$35,275,000 of tax-exempt fixed rate revenue bonds (Series 2012). Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019. The proceeds of the Series 2012 bond issue were used to advance refund the remaining 2002A Bonds, advance refund certain 2002B Bonds, pay off a short term CAN note and fund certain capital purchases.

On September 3, 2015, the Authority issued \$32,720,000 of Revenue Bonds, Catholic Medical Center Issue, Series 2015, consisting of the \$24,070,000 aggregate principal amount Series 2015A Bonds and the \$8,650,000 aggregate principal amount Series 2015B Bonds sold via direct placement to a financial institution. Although the Series 2015B Bonds were issued, they were not drawn on until July 1, 2016, as discussed below. Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019.

The Series 2015A Bonds were issued to provide funds for the purpose of (i) advance refunding a portion of the outstanding 2006 Bonds in an amount of \$20,655,000 to the first call date of July 1, 2016, (ii) funding certain construction projects and equipment purchases in an amount of approximately \$3,824,000, and (iii) paying the costs of issuance related to the Series 2015 Bonds.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

6. Long-Term Debt and Notes Payable (Continued)

The Series 2015B Bonds were structured as drawdown bonds. On July 1, 2016, the full amount available under the Series 2015B Bonds totaling \$8,650,000 was drawn upon and the proceeds in combination with cash contributed by the Medical Center totaling \$555,000 were used to currently refund the remaining balance of the Series 2006 Bonds totaling \$9,205,000.

On September 1, 2017, the Authority issued \$61,115,000 of Revenue Bonds, Catholic Medical Center Issue, Series 2017. The Series 2017 Bonds were issued to fund various construction projects and equipment purchases, as well as pay certain costs of issuance related to the Series 2017 Bonds. Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019.

The Medical Center has an agreement with the Authority, which provides for the establishment of various funds, the use of which is generally restricted to the payment of debt, as well as a construction fund related to the Series 2017 Bonds. These funds are administered by a trustee, and income earned on certain of these funds is similarly restricted.

Construction Loan

On July 1, 2019, the Medical Center established a nonrevolving line of credit up to \$10,000,000 with a bank in order to fund the expansion of the Medical Center as discussed in Note 15. The line of credit bears interest at the LIBOR lending rate plus 0.75% (2.84% at September 30, 2019). Advances from the line of credit are available through July 1, 2021, at which time the then outstanding line of credit balance will automatically convert to a term loan. Upon conversion, the Medical Center shall make monthly payments of principal and interest, assuming a 30-year level monthly principal and interest payment schedule, with a final maturity of July 1, 2029. The bank shall compute the schedule of principal payments based on the interest rate applicable on the conversion date. Payments of interest only are due on a monthly basis until the conversion date. The Medical Center has pledged gross receipts as collateral and is also required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant as of September 30, 2019. As of September 30, 2019, the Medical Center has drawn \$3,513,632 on this line of credit.

MOB LLC Notes Payable

During 2007, MOB LLC (a subsidiary of Enterprises) established a nonrevolving line of credit for \$9,350,000 with a bank in order to fund construction of a medical office building. The line of credit bore interest at the LIBOR lending rate plus 1%. Payments of interest only were due on a monthly basis until the completed construction of the medical office. During 2008, the building construction was completed and the line of credit was converted to a note payable with payments of interest (at the one-month LIBOR rate plus 1.4%) and principal due on a monthly basis, with all payments to be made no later than April 1, 2018.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

6. Long-Term Debt and Notes Payable (Continued)

On March 27, 2018, the MOB LLC note payable discussed above was refinanced to a term loan totaling \$8,130,000. Interest is fixed at 3.71% and is payable monthly. Principal payments of \$19,500 are due in monthly installments beginning May 1, 2018, and continuing until March 27, 2028, at which time the remaining unpaid principal and interest shall be due in full. Under the terms of the loan agreement, the Medical Center and MOB LLC (the Obligated Group) has granted the bank a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center and the System also guarantee the note payable. The Obligated Group is required to maintain a minimum debt service coverage ratio of 1.20. The Obligated Group was in compliance with this covenant as of September 30, 2019.

The aggregate principal payments due on the revenue bonds, capital lease obligations and other debt obligations for each of the five years ending September 30 and thereafter are as follows:

2020	\$ 4,158,079
2021	2,650,886
2022	2,779,704
2023	3,001,881
2024	3,094,120
Thereafter	<u>106,596,541</u>
	<u>\$122,281,211</u>

Interest paid by the System totaled \$4,688,512 (including capitalized interest of \$158,155) for the year ended September 30, 2019 and \$4,351,405 (including capitalized interest of \$251,490) for the year ended September 30, 2018.

The fair value of the System's long-term debt is estimated using discounted cash flow analysis, based on the System's current incremental borrowing rate for similar types of borrowing arrangements. The fair value of the System's long-term debt, excluding capitalized lease obligations, was approximately \$128,000,000 and \$122,000,000 at September 30, 2019 and 2018, respectively.

Derivatives

The System uses derivative financial instruments principally to manage interest rate risk. During 2007, MOB LLC entered into an interest rate swap agreement with an initial notional amount of \$9,350,000 in connection with its line of credit. Under this agreement, MOB LLC paid a fixed rate equal to 5.21%, and received a variable rate of the one-month LIBOR rate. The interest rate swap agreement terminated April 1, 2018. The change in fair value of this interest swap agreement totaled \$184,767 during 2018, which amount was included within nonoperating investment income within the 2018 consolidated statements of operations.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

6. Long-Term Debt and Notes Payable (Continued)

In January 2016, the Medical Center entered into an interest rate swap agreement with an initial notional amount of \$8,650,000 in connection with its Series 2015B Bond issuance. The swap agreement hedges the Medical Center's interest exposure by effectively converting interest payments from variable rates to a fixed rate. The swap agreement is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in net assets without donor restrictions. Under this agreement, the Medical Center pays a fixed rate equal to 1.482%, and receives a variable rate of 69.75% of the one-month LIBOR rate (1.46% at September 30, 2019). Payments under the swap agreement began August 1, 2016 and the agreement will terminate August 1, 2025.

The fair value of the Medical Center's interest rate swap agreement amounted to a liability of \$220,010 as of September 30, 2019, which amount has been recorded within accrued pension and other liabilities in the accompanying consolidated balance sheets. The fair value of the Medical Center's interest rate swap agreement amounted to an asset of \$262,725 as of September 30, 2018, which amount has been recorded within intangible assets and other in the accompanying consolidated balance sheets. The (decrease) increase in the fair value of this derivative of \$(482,735) and \$302,826, respectively, has been included within the consolidated statements of changes in net assets as a change in net assets without donor restrictions for the years ended September 30, 2019 and 2018.

7. Operating Leases

The System has various noncancelable agreements to lease various pieces of medical equipment. The System also has noncancelable leases for office space and its physician practices. Rental expense under all leases for the years ended September 30, 2019 and 2018 was \$4,847,292 and \$4,857,031, respectively.

Estimated future minimum lease payments under noncancelable operating leases are as follows:

2020	\$ 3,180,427
2021	3,151,760
2022	3,178,564
2023	3,155,635
2024	3,048,854
Thereafter	<u>5,620,891</u>
	<u>\$21,336,131</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

8. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited are comprised of the following at September 30:

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	\$ 16,988,051	\$ 16,988,051	\$ 16,525,946	\$ 16,525,946
U.S. federal treasury obligations	19,045,894	19,043,708	36,950,913	36,957,749
Marketable equity securities	44,292,283	41,130,117	44,031,227	39,959,906
Fixed income securities	38,160,610	38,096,345	57,757,424	58,911,509
Private investment funds	51,796,283	21,653,351	55,530,346	25,886,418
Pledges receivable	758,184	758,184	—	—
	<u>\$171,041,305</u>	<u>\$137,669,756</u>	<u>\$210,795,856</u>	<u>\$178,241,528</u>

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In determining fair value, the use of various valuation approaches, including market, income and cost approaches, is permitted.

A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the System for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 — Observable inputs such as quoted prices in active markets;

Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 — Unobservable inputs in which there is little or no market data.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. There have been no changes in the methodologies used at September 30, 2019 and 2018.

The following is a description of the valuation methodologies used:

U.S. Federal Treasury Obligations and Fixed Income Securities

The fair value is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds fixed income mutual funds and exchange traded funds, governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are primarily classified as Level 1 within the fair value hierarchy.

Marketable Equity Securities

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

Private Investment Funds

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

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

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

Fair Value on a Recurring Basis

The following table presents information about the System's assets and liabilities measured at fair value on a recurring basis based upon the lowest level of significant input to the valuations at September 30:

2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 16,988,051	\$ -	\$ -	\$ 16,988,051
U.S. federated treasury obligations	19,045,894	-	-	19,045,894
Marketable equity securities	44,292,283	-	-	44,292,283
Fixed income securities	38,160,610	-	-	38,160,610
Pledges receivable	<u>-</u>	<u>-</u>	<u>758,184</u>	<u>758,184</u>
	<u>\$118,486,838</u>	<u>\$ -</u>	<u>\$758,184</u>	119,245,022
Investments measured at net asset value:				
Private investment funds				<u>51,796,283</u>
Total assets at fair value				<u>\$171,041,305</u>
<u>Liabilities</u>				
Interest rate swap agreement	<u>\$ -</u>	<u>\$ -</u>	<u>\$220,010</u>	<u>\$ 220,010</u>
2018				
<u>Assets</u>				
Cash and cash equivalents	\$ 16,525,946	\$ -	\$ -	\$ 16,525,946
U.S. federated treasury obligations	36,950,913	-	-	36,950,913
Marketable equity securities	44,031,227	-	-	44,031,227
Fixed income securities	57,757,424	-	-	57,757,424
Interest rate swap agreement	<u>-</u>	<u>-</u>	<u>262,725</u>	<u>262,725</u>
	<u>\$155,265,510</u>	<u>\$ -</u>	<u>\$262,725</u>	155,528,235
Investments measured at net asset value:				
Private investment funds				<u>55,530,346</u>
Total assets at fair value				<u>\$211,058,581</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

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

The following table presents the assets (liabilities) carried at fair value as of September 30, 2019 and 2018 that are classified within Level 3 of the fair value hierarchy.

	<u>Pledges Receivable</u>
Balance at September 30, 2018	\$ -
Net activity	<u>758,184</u>
Balance at September 30, 2019	<u>\$758,184</u>
	<u>Interest Rate Swap Agreement</u>
Balance at September 30, 2017	\$(224,868)
Unrealized gains	<u>487,593</u>
Balance at September 30, 2018	262,725
Unrealized losses	<u>(482,735)</u>
Balance at September 30, 2019	<u>\$(220,010)</u>

There were no significant transfers between Levels 1, 2 or 3 for the years ended September 30, 2019 or 2018.

Net Asset Value Per Share

The following table discloses the fair value and redemption frequency of those assets whose fair value is estimated using the net asset value per share practical expedient at September 30:

<u>Category</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
2019				
Private investment funds	\$48,155,175	\$ -	Daily/monthly	2-30 day notice
Private investment funds	3,641,108	-	Quarterly	30 day notice
2018				
Private investment funds	\$52,108,790	\$ -	Daily/monthly	2-30 day notice
Private investment funds	3,421,556	-	Quarterly	30 day notice

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

8. **Investments and Assets Whose Use is Limited (Continued)**

Investment Strategies

U.S. Federal Treasury Obligations and Fixed Income Securities

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

Marketable Equity Securities

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

Private Investment Funds

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

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts receivable, accounts payable and accrued expenses, amounts payable to third-party payors and long-term debt. The fair value of all financial instruments other than long-term debt approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. See Note 6 for disclosure of the fair value of long-term debt.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

9. Retirement Benefits

A reconciliation of the changes in the Catholic Medical Center Pension Plan, the Medical Center's Supplemental Executive Retirement Plan and the New Hampshire Medical Laboratories Retirement Income Plan projected benefit obligations and the fair value of assets for the years ended September 30, 2019 and 2018, and a statement of funded status of the plans for both years is as follows:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>		<u>New Hampshire Medical Laboratories Retirement Income Plan</u>	
	2019	2018	2019	2018	2019	2018
Changes in benefit obligations:						
Projected benefit obligations at beginning of year	\$ (270,114,507)	\$ (284,200,778)	\$ (4,140,755)	\$ (4,567,286)	\$ (2,829,963)	\$ (3,062,398)
Service cost	(1,500,000)	(1,500,000)	-	-	(25,000)	(25,000)
Interest cost	(11,301,910)	(10,628,197)	(154,744)	(140,414)	(114,026)	(104,714)
Benefits paid	7,935,050	7,117,759	408,853	411,692	173,921	171,828
Actuarial (loss) gain	(48,841,695)	17,666,264	(174,264)	155,253	(372,806)	173,565
Expenses paid	<u>1,468,125</u>	<u>1,430,445</u>	<u>-</u>	<u>-</u>	<u>16,623</u>	<u>16,756</u>
Projected benefit obligations at end of year	<u>(322,354,937)</u>	<u>(270,114,507)</u>	<u>(4,060,910)</u>	<u>(4,140,755)</u>	<u>(3,151,251)</u>	<u>(2,829,963)</u>
Changes in plan assets:						
Fair value of plan assets at beginning of year	185,414,590	181,485,201	-	-	2,140,827	2,144,861
Actual return on plan assets	5,194,931	12,074,468	-	-	56,327	141,614
Employer contributions	8,141,191	403,125	408,853	411,692	120,167	42,936
Benefits paid	(7,935,050)	(7,117,759)	(408,853)	(411,692)	(173,921)	(171,828)
Expenses paid	<u>(1,468,125)</u>	<u>(1,430,445)</u>	<u>-</u>	<u>-</u>	<u>(16,623)</u>	<u>(16,756)</u>
Fair value of plan assets at end of year	<u>189,347,537</u>	<u>185,414,590</u>	<u>-</u>	<u>-</u>	<u>2,126,777</u>	<u>2,140,827</u>
Funded status of plan at September 30	<u>\$ (133,007,400)</u>	<u>\$ (84,699,917)</u>	<u>\$ (4,060,910)</u>	<u>\$ (4,140,755)</u>	<u>\$ (1,024,474)</u>	<u>\$ (689,136)</u>
Amounts recognized in the balance sheets consist of:						
Current liability	\$ -	\$ -	\$ (391,100)	\$ (398,750)	\$ -	\$ -
Noncurrent liability	<u>(133,007,400)</u>	<u>(84,699,917)</u>	<u>(3,669,810)</u>	<u>(3,742,005)</u>	<u>(1,024,474)</u>	<u>(689,136)</u>
	<u>\$ (133,007,400)</u>	<u>\$ (84,699,917)</u>	<u>\$ (4,060,910)</u>	<u>\$ (4,140,755)</u>	<u>\$ (1,024,474)</u>	<u>\$ (689,136)</u>

The net loss for the defined benefit pension plans that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year is \$4,686,885.

The current portion of accrued pension costs included in the above amounts for the System amounted to \$391,100 and \$398,750 at September 30, 2019 and 2018, respectively, and has been included in accounts payable and accrued expenses in the accompanying balance sheets.

The amounts recognized in net assets without donor restrictions for the years ended September 30 consist of:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>		<u>New Hampshire Medical Laboratories Retirement Income Plan</u>	
	2019	2018	2019	2018	2019	2018
Amounts recognized in the balance sheets – total plan:						
Net assets without donor restrictions:						
Net loss	\$ (160,478,700)	\$ (105,860,712)	\$ (2,141,585)	\$ (2,102,034)	\$ (1,902,167)	\$ (1,492,143)
Net amount recognized	<u>\$ (160,478,700)</u>	<u>\$ (105,860,712)</u>	<u>\$ (2,141,585)</u>	<u>\$ (2,102,034)</u>	<u>\$ (1,902,167)</u>	<u>\$ (1,492,143)</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

9. Retirement Benefits (Continued)

Net periodic pension cost includes the following components for the years ended September 30:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Service cost	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ 25,000	\$ 25,000
Interest cost	11,301,910	10,628,197	154,744	140,414	114,026	104,714
Expected return on plan assets	(13,738,629)	(13,110,637)	-	-	(155,594)	(153,960)
Amortization of actuarial loss	<u>2,767,405</u>	<u>3,275,000</u>	<u>134,713</u>	<u>147,466</u>	<u>62,049</u>	<u>67,898</u>
Net periodic pension cost	\$ <u>1,830,686</u>	\$ <u>2,292,560</u>	\$ <u>289,457</u>	\$ <u>287,880</u>	\$ <u>45,481</u>	\$ <u>43,652</u>

Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions for the years ended September 30, 2019 and 2018 consist of:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Net loss (gain)	\$ 57,388,232	\$ (16,630,095)	\$ 174,264	\$ (155,253)	\$ 472,073	\$ (161,219)
Amortization of actuarial loss	<u>(2,767,405)</u>	<u>(3,275,000)</u>	<u>(134,713)</u>	<u>(147,466)</u>	<u>(62,049)</u>	<u>(67,898)</u>
Net amount recognized	\$ <u>54,620,827</u>	\$ <u>(19,905,095)</u>	\$ <u>39,551</u>	\$ <u>(302,719)</u>	\$ <u>410,024</u>	\$ <u>(229,117)</u>

The investments of the plans are comprised of the following at September 30:

	Target Allocation		Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018	2019	2018
Cash and cash equivalents	5.0%	0.0%	3.5%	1.1%	0.0%	0.0%	3.5%	1.1%
Equity securities	65.0	70.0	68.5	66.2	0.0	0.0	68.5	66.2
Fixed income securities	20.0	20.0	24.6	23.7	0.0	0.0	24.6	23.7
Other	<u>10.0</u>	<u>10.0</u>	<u>3.4</u>	<u>9.0</u>	<u>0.0</u>	<u>0.0</u>	<u>3.4</u>	<u>9.0</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>100.0%</u>	<u>100.0%</u>

The assumption for the long-term rate of return on plan assets has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

The weighted-average assumptions used to determine the defined benefit pension plan obligations at September 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Discount rate	3.12%	4.23%	2.70%	3.93%	2.93%	4.10%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

9. Retirement Benefits (Continued)

The weighted-average assumptions used to determine the defined benefit pension plan net periodic benefit costs for the years ended September 30 are as follows:

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan		New Hampshire Medical Laboratories Retirement Income Plan	
	2019	2018	2019	2018	2019	2018
Discount rate	4.23%	3.79%	3.93%	3.22%	4.10%	3.52%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Expected long-term return on plan assets	7.30 %	7.30%	N/A	N/A	7.30%	7.30%

The System expects to make employer contributions totaling \$6,500,000 to the Catholic Medical Center Pension Plan for the fiscal year ending September 30, 2020. Expected employer contributions to the Pre-1987 Supplemental Executive Retirement Plan and New Hampshire Medical Laboratories Retirement Income Plan for the fiscal year ending September 30, 2020 are not expected to be significant.

The benefits, which reflect expected future service, as appropriate, expected to be paid for the years ending September 30 are as follows:

	Catholic Medical Center Pension Plan	Pre-1987 Supplemental Executive Retirement Plan	New Hampshire Medical Laboratories Retirement Income Plan
2020	\$ 9,243,136	\$ 396,345	\$194,433
2021	9,993,328	381,634	200,720
2022	10,827,746	366,382	200,423
2023	11,705,953	350,590	200,594
2024	12,473,696	334,272	197,969
2025 - 2029	72,831,683	1,409,626	947,912

The System contributed \$8,141,191, \$408,853 and \$120,167 to the Catholic Medical Center Pension Plan, the Pre-1987 Supplemental Executive Retirement Plan and New Hampshire Medical Laboratories Retirement Income Plan, respectively, for the year ended September 30, 2019. The System contributed \$403,125, \$411,692 and \$42,936 to the Catholic Medical Center Pension Plan, Pre-1987 Supplemental Executive Retirement Plan and the New Hampshire Medical Laboratories Retirement Income Plan, respectively, for the year ended September 30, 2018. The System plans to make any necessary contributions during the upcoming fiscal 2020 year to ensure the plans continue to be adequately funded given the current market conditions.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

9. Retirement Benefits (Continued)

The following fair value hierarchy table presents information about the financial assets of the above plans measured at fair value on a recurring basis based upon the lowest level of significant input valuation as of September 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2019				
Cash and cash equivalents	\$ 6,607,245	\$ —	\$ —	\$ 6,607,245
Marketable equity securities	48,731,127	—	—	48,731,127
Fixed income securities	<u>47,028,757</u>	<u>—</u>	<u>—</u>	<u>47,028,757</u>
	<u>\$102,367,129</u>	<u>\$ —</u>	<u>\$ —</u>	102,367,129
Investments measured at net asset value:				
Private investment funds				<u>89,107,185</u>
Total assets at fair value				<u>\$191,474,314</u>
2018				
Cash and cash equivalents	\$ 2,160,634	\$ —	\$ —	\$ 2,160,634
Marketable equity securities	39,221,636	—	—	39,221,636
Fixed income securities	<u>44,497,162</u>	<u>—</u>	<u>—</u>	<u>44,497,162</u>
	<u>\$ 85,879,432</u>	<u>\$ —</u>	<u>\$ —</u>	85,879,432
Investments measured at net asset value:				
Private investment funds				<u>101,675,985</u>
Total assets at fair value				<u>\$187,555,417</u>

10. Community Benefits

The System rendered charity care in accordance with its formal charity care policy, which, at established charges, amounted to \$22,670,908 and \$21,671,846 for the years ended September 30, 2019 and 2018, respectively. Also, the System provides community service programs, without charge, such as the Medication Assistance Program, Community Education and Wellness, Patient Transport, and the Parish Nurse Program. The costs of providing these programs amounted to \$977,697 and \$983,861 for the years ended September 30, 2019 and 2018, respectively.

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

11. Functional Expenses

The System provides general health care services to residents within its geographic location including inpatient, outpatient and emergency care. Expenses related to providing these services are as follows at September 30, 2019:

	<u>Healthcare Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries, wages and fringe benefits	\$241,819,757	\$42,827,203	\$284,646,960
Supplies and other	132,091,040	37,028,017	169,119,057
New Hampshire Medicaid enhancement tax	21,382,132	-	21,382,132
Depreciation and amortization	10,590,235	6,312,202	16,902,437
Interest	<u>3,178,047</u>	<u>1,045,999</u>	<u>4,224,046</u>
	<u>\$409,061,211</u>	<u>\$87,213,421</u>	<u>\$496,274,632</u>

For the year ended September 30, 2018, the System provided \$367,226,914 in health services expenses and \$100,350,824 in general and administrative expenses.

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

12. Concentration of Credit Risk

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

	<u>2019</u>	<u>2018</u>
Medicare	45%	44%
Medicaid	12	12
Commercial insurance and other	24	23
Patients (self pay)	5	8
Anthem Blue Cross	<u>14</u>	<u>13</u>
	<u>100%</u>	<u>100%</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

13. Endowments and Net Assets With Donor Restrictions

Endowments

In July 2008, the State of New Hampshire enacted a version of UPMIFA (the Act). The new law, which had an effective date of July 1, 2008, eliminates the historical dollar threshold and establishes prudent spending guidelines that consider both the duration and preservation of the fund. As a result of this enactment, subject to the donor's intent as expressed in a gift agreement or similar document, a New Hampshire charitable organization may now spend the principal and income of an endowment fund, even from an underwater fund, after considering the factors listed in the Act.

Endowment net assets consist of the following at September 30:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2019			
Board-designated endowment funds	\$110,175,169	\$ -	\$110,175,169
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	7,342,731	7,342,731
Accumulated investment gains	<u>-</u>	<u>2,902,160</u>	<u>2,902,160</u>
Total endowment net assets	<u>\$110,175,169</u>	<u>\$10,244,891</u>	<u>\$120,420,060</u>
2018			
Board-designated endowment funds	\$107,832,023	\$ -	\$107,832,023
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	7,342,731	7,342,731
Accumulated investment gains	<u>-</u>	<u>3,084,087</u>	<u>3,084,087</u>
Total endowment net assets	<u>\$107,832,023</u>	<u>\$10,426,818</u>	<u>\$118,258,841</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

13. Endowments and Net Assets With Donor Restrictions (Continued)

Changes in endowment net assets consisted of the following for the years ended September 30:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance at September 30, 2017	\$102,045,292	\$ 9,726,007	\$111,771,299
Investment return, net	5,658,131	430,243	6,088,374
Contributions	-	646,924	646,924
Appropriation for operations	-	(247,756)	(247,756)
Appropriation for capital	<u>128,600</u>	<u>(128,600)</u>	<u>-</u>
Balance at September 30, 2018	107,832,023	10,426,818	118,258,841
Investment return (loss), net	1,909,136	(63,353)	1,845,783
Contributions	-	536,316	536,316
Appropriation for operations	-	(220,880)	(220,880)
Appropriation for capital	<u>434,010</u>	<u>(434,010)</u>	<u>-</u>
Balance at September 30, 2019	<u>\$110,175,169</u>	<u>\$10,244,891</u>	<u>\$120,420,060</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Medical Center to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2019 or 2018.

Net Assets With Donor Restrictions

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

	<u>2019</u>	<u>2018</u>
Funds subject to use or time restrictions:		
Capital acquisitions	\$ 258,494	\$ 37,941
Health education	909,765	899,288
Indigent care	168,437	253,492
Pledges receivable	<u>758,184</u>	<u>-</u>
	2,094,880	1,190,721
Funds of perpetual duration	<u>9,150,011</u>	<u>9,236,097</u>
	<u>\$11,244,891</u>	<u>\$10,426,818</u>

CMC HEALTHCARE SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

14. Investments in Joint Ventures

AAS has a 44% ownership interest in the Bedford Ambulatory Surgical Center. AAS accounts for its investment in this joint venture under the equity method.

AAS has a 50% ownership interest in the Alliance Urgent Care Services, LLC. AAS accounts for its investment in this joint venture under the equity method.

The Medical Center, along with four other participating hospitals and Tufts Health Plan, formed Tufts Health Freedom Plan (THFP), a joint venture. THFP is a health insurance company which began operations as of January 1, 2016. The Medical Center has an approximate 12% ownership interest in this joint venture. Selected financial information relating to the above entities for the years ended September 30, 2019 and 2018 is not shown as such amounts are not significant to the consolidated financial statements.

15. Commitments and Contingencies

Litigation

Various legal claims, generally incidental to the conduct of normal business, are pending or have been threatened against the System. The System intends to defend vigorously against these claims. While ultimate liability, if any, arising from any such claim is presently indeterminable, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the financial condition of the System.

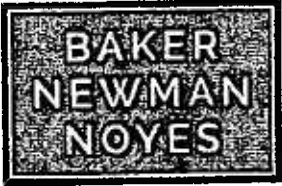
Regulatory

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Government activity continues with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations are subject to government review and interpretations as well as regulatory actions unknown or unasserted at this time.

Development Agreement

During fiscal year 2019, the Medical Center entered into a development agreement with PJC Manchester Realty, LLC ("Rite Aid") in regards to the Medical Center's acquisition of certain property owned by Rite Aid. Under the development agreement, the Medical Center acquired the property from Rite Aid for approximately \$6.9 million, inclusive of certain costs expected to be incurred to construct a new building that Rite Aid will own and occupy at a separate location. The purchase of the property from Rite Aid allows the Medical Center to expand its campus. As the Medical Center retains title to the project until such time of the second closing, as defined within the development agreement, amounts paid under the development agreement are recorded by the Medical Center as land acquisition costs, and totaled approximately \$4.6 million as of September 30, 2019.

The Medical Center has outstanding construction commitments related to this project totaling approximately \$8.1 million at September 30, 2019.



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**INDEPENDENT AUDITORS' REPORT
ON OTHER FINANCIAL INFORMATION**

Board of Trustees
CMC Healthcare System, Inc.

We have audited the consolidated financial statements of CMC Healthcare System, Inc. (the System) as of and for the years ended September 30, 2019 and 2018, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes LLC

Manchester, New Hampshire
February 4, 2020

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

September 30, 2019

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current assets:										
Cash and cash equivalents	\$ 47,897,010	\$ 2,391,045	\$ 3,445,644	\$ 705,932	\$ 603,153	\$ 222,020	\$ 75,443	\$ 909,243	\$ -	\$ 56,249,490
Short-term investments	4,021,270	-	-	-	-	-	-	-	-	4,021,270
Accounts receivable, net	78,067,491	-	(3,076)	-	-	1,258,227	-	-	-	79,322,642
Inventories	4,600,802	-	-	-	-	-	-	-	-	4,600,802
Other current assets	<u>12,780,425</u>	<u>(22,443)</u>	<u>14,433</u>	<u>65,943</u>	<u>-</u>	<u>1,335,176</u>	<u>-</u>	<u>24,689</u>	<u>-</u>	<u>14,198,223</u>
Total current assets	147,366,998	2,368,602	3,457,001	771,875	603,153	2,815,423	75,443	933,932	-	158,392,427
Property, plant and equipment, net	118,690,076	-	8,550,580	14,715,075	-	76,528	-	1,079,104	-	143,111,363
Other assets:										
Intangible assets and other	11,869,524	-	-	-	6,731,090	-	-	-	-	18,600,614
Assets whose use is limited:										
Pension and insurance obligations	18,832,810	-	-	-	-	-	-	-	-	18,832,810
Board designated and donor restricted investments and restricted grants	122,116,666	-	-	-	-	-	-	7,225,204	-	129,341,870
Held by trustee under revenue bond agreements	<u>18,845,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,845,355</u>
	<u>159,794,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,225,204</u>	<u>-</u>	<u>167,020,035</u>
Total assets	<u>\$437,721,429</u>	<u>\$ 2,368,602</u>	<u>\$12,007,581</u>	<u>\$15,486,950</u>	<u>\$7,334,243</u>	<u>\$2,891,951</u>	<u>\$ 75,443</u>	<u>\$9,238,240</u>	<u>\$ -</u>	<u>\$487,124,439</u>

LIABILITIES AND NET ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current liabilities:										
Accounts payable and accrued expenses	\$ 36,870,043	\$ 101,896	\$ 116,826	\$ 14,945	\$ -	\$1,557,916	\$ 9,312	\$ 314,964	\$ -	\$ 38,985,902
Accrued salaries, wages and related accounts	18,604,407	4,256,637	-	-	-	-	-	112,434	-	22,973,478
Amounts payable to third-party payors	11,456,467	-	-	-	-	-	-	-	-	11,456,467
Due to (from) affiliates	991,062	(876,484)	33,830	(112,489)	-	(17,750)	(16,141)	(2,028)	-	-
Current portion of long-term debt	<u>3,924,079</u>	<u>-</u>	<u>234,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,158,079</u>
Total current liabilities	71,846,058	3,482,049	384,656	(97,544)	-	1,540,166	(6,829)	425,370	-	77,573,926
Accrued pension and other liabilities, less current portion	160,696,816	9,869,149	1,041,879	69,526	-	372,466	-	-	-	172,049,836
Long-term debt, less current portion	<u>114,421,351</u>	<u>-</u>	<u>7,462,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,883,751</u>
Total liabilities	346,964,225	13,351,198	8,888,935	(28,018)	-	1,912,632	(6,829)	425,370	-	371,507,513
Net assets (deficit):										
Without donor restrictions	79,512,313	(10,982,596)	3,118,646	15,514,968	7,334,243	979,319	82,272	8,812,870	-	104,372,035
With donor restrictions	<u>11,244,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,244,891</u>
Total net assets (deficit)	<u>90,757,204</u>	<u>(10,982,596)</u>	<u>3,118,646</u>	<u>15,514,968</u>	<u>7,334,243</u>	<u>979,319</u>	<u>82,272</u>	<u>8,812,870</u>	<u>-</u>	<u>115,616,926</u>
Total liabilities and net assets	<u>\$437,721,429</u>	<u>\$ 2,368,602</u>	<u>\$12,007,581</u>	<u>\$15,486,950</u>	<u>\$7,334,243</u>	<u>\$2,891,951</u>	<u>\$ 75,443</u>	<u>\$9,238,240</u>	<u>\$ -</u>	<u>\$487,124,439</u>

CMC HEALTHCARE SYSTEM, INC.
CONSOLIDATING STATEMENT OF OPERATIONS
Year Ended September 30, 2019

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Eliminations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	\$449,484,087	\$ -	\$ -	\$ -	\$ -	\$16,273,475	\$ -	\$ -	\$ -	\$465,757,562
Provision for doubtful accounts	(20,972,163)	-	-	-	-	(672,481)	-	-	-	(21,644,644)
Net patient service revenues less provision for doubtful accounts	428,511,924	-	-	-	-	15,600,994	-	-	-	444,112,918
Other revenue	14,687,063	21,730,371	2,029,569	1,348,691	2,450,518	589,283	114,787	3,296,789	(24,636,486)	21,610,585
Disproportionate share funding	22,566,094	-	-	-	-	-	-	-	-	22,566,094
Total revenues	465,765,081	21,730,371	2,029,569	1,348,691	2,450,518	16,190,277	114,787	3,296,789	(24,636,486)	488,289,597
Expenses:										
Salaries, wages and fringe benefits	227,559,475	59,819,529	25,000	-	-	15,345,730	-	3,293,166	(21,395,940)	284,646,960
Supplies and other	161,282,151	2,859,148	829,215	886,058	-	6,095,729	129,091	278,211	(3,240,546)	169,119,057
New Hampshire Medicaid enhancement tax	21,382,132	-	-	-	-	-	-	-	-	21,382,132
Depreciation and amortization	15,741,819	-	310,579	613,839	-	34,602	-	201,598	-	16,902,437
Interest	3,913,935	-	310,111	-	-	-	-	-	-	4,224,046
Total expenses	429,879,512	62,678,677	1,474,905	1,499,897	-	21,476,061	129,091	3,772,975	(24,636,486)	496,274,632
Income (loss) from operations	35,885,569	(40,948,306)	554,664	(151,206)	2,450,518	(5,285,784)	(14,304)	(476,186)	-	(7,985,035)
Nonoperating gains (losses):										
Investment income	3,875,387	-	-	-	14,106	-	-	231,369	-	4,120,862
Net periodic pension cost, other than service cost	(595,606)	(24,537)	(20,481)	-	-	-	-	-	-	(640,624)
Contributions without donor restrictions	834,004	-	-	-	-	-	-	-	-	834,004
Development costs	(739,596)	-	-	-	-	-	-	-	-	(739,596)
Other nonoperating (loss) gain	(3,153,699)	-	-	-	-	-	-	18,000	-	(3,135,699)
Total nonoperating gains, net	220,490	(24,537)	(20,481)	-	14,106	-	-	249,369	-	438,947
Excess (deficiency) of revenues over expenses	36,106,059	(40,972,843)	534,183	(151,206)	2,464,624	(5,285,784)	(14,304)	(226,817)	-	(7,546,088)
Unrealized appreciation (depreciation) on investments	1,026,222	-	-	-	-	-	-	(114,052)	-	912,170
Change in fair value of interest rate swap agreement	(482,735)	-	-	-	-	-	-	-	-	(482,735)
Assets released from restriction used for capital	434,010	-	-	-	-	-	-	-	-	434,010
Pension-related changes other than net periodic pension cost	(51,110,160)	(3,550,218)	(410,024)	-	-	-	-	-	-	(55,070,402)
Net transfers (to) from affiliates	(46,133,644)	42,163,000	120,167	700,000	(2,500,000)	5,650,000	-	477	-	-
Change in net assets without donor restrictions	\$(60,160,248)	\$(2,360,061)	\$ 244,326	\$ 548,794	\$(35,376)	\$ 364,216	\$(14,304)	\$(340,392)	\$ -	\$(61,753,045)

CMC HEALTHCARE SYSTEM, INC.

CONSOLIDATING BALANCE SHEET

September 30, 2018

ASSETS

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Elimi- nations	Consolidated
Current assets:										
Cash and cash equivalents	\$ 57,668,500	\$ 22,273	\$ 2,745,448	\$ 332,128	\$ 376,706	\$ 166,645	\$ 76,949	\$ 460,671	\$ -	\$ 61,849,320
Short-term investments	29,009,260	-	-	-	-	-	-	-	-	29,009,260
Accounts receivable, net	54,074,988	-	-	-	-	1,251,998	-	-	-	55,326,986
Inventories	3,583,228	-	-	-	-	-	-	-	-	3,583,228
Other current assets	<u>9,150,610</u>	<u>3,750</u>	<u>2,537</u>	<u>57,365</u>	<u>286,666</u>	<u>1,139,687</u>	<u>1,608</u>	<u>22,734</u>	-	<u>10,664,957</u>
Total current assets	153,486,586	26,023	2,747,985	389,493	663,372	2,558,330	78,557	483,405	-	160,433,751
Property, plant and equipment, net	109,898,233	-	8,858,160	14,585,192	-	111,130	-	1,145,179	-	134,597,894
Other assets:										
Intangible assets and other	10,875,302	-	-	-	6,706,247	-	-	-	-	17,581,549
Assets whose use is limited:										
Pension and insurance obligations	17,859,458	-	-	-	-	-	-	-	-	17,859,458
Board designated and donor restricted investments and restricted grants	119,411,378	1,488	-	-	-	-	-	7,854,219	-	127,267,085
Held by trustee under revenue bond agreements	<u>36,660,053</u>	-	-	-	-	-	-	-	-	<u>36,660,053</u>
	<u>173,930,889</u>	<u>1,488</u>	-	-	-	-	-	<u>7,854,219</u>	-	<u>181,786,596</u>
Total assets	<u>\$448,191,010</u>	<u>\$ 27,511</u>	<u>\$11,606,145</u>	<u>\$14,974,685</u>	<u>\$7,369,619</u>	<u>\$2,669,460</u>	<u>\$ 78,557</u>	<u>\$9,482,803</u>	<u>\$ -</u>	<u>\$494,399,790</u>

LIABILITIES AND NET ASSETS

	<u>Catholic Medical Center</u>	<u>Physician Practice Associates</u>	<u>Alliance Enterprises</u>	<u>Alliance Resources</u>	<u>Alliance Ambu- latory Services</u>	<u>Alliance Health Services</u>	<u>Doctors Medical Association</u>	<u>Saint Peter's Home</u>	<u>Elimi- nations</u>	<u>Consolidated</u>
Current liabilities:										
Accounts payable and accrued expenses	\$ 28,743,870	\$ 68,143	\$ 90,029	\$ 17,169	\$ -	\$ 1,660,520	\$ 5,590	\$ 203,832	\$ -	\$ 30,789,153
Accrued salaries, wages and related accounts	18,755,583	3,791,797	-	-	-	-	-	126,109	-	22,673,489
Amounts payable to third-party payors	14,643,104	-	-	-	-	-	-	-	-	14,643,104
Due to (from) affiliates	1,477,267	(1,392,988)	16,867	(80,123)	-	2,986	(23,609)	(400)	-	-
Current portion of long-term debt	<u>4,131,199</u>	<u>-</u>	<u>234,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,365,199</u>
Total current liabilities	67,751,023	2,466,952	340,896	(62,954)	-	1,663,506	(18,019)	329,541	-	72,470,945
Accrued pension and other liabilities, less current portion	115,111,279	6,183,094	706,541	71,465	-	390,851	-	-	-	122,463,230
Long-term debt, less current portion	<u>115,229,329</u>	<u>-</u>	<u>7,684,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,913,717</u>
Total liabilities	298,091,631	8,650,046	8,731,825	8,511	-	2,054,357	(18,019)	329,541	-	317,847,892
Net assets (deficit):										
Without donor restrictions	139,672,561	(8,622,535)	2,874,320	14,966,174	7,369,619	615,103	96,576	9,153,262	-	166,125,080
With donor restrictions	<u>10,426,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,426,818</u>
Total net assets (deficit)	<u>150,099,379</u>	<u>(8,622,535)</u>	<u>2,874,320</u>	<u>14,966,174</u>	<u>7,369,619</u>	<u>615,103</u>	<u>96,576</u>	<u>9,153,262</u>	<u>-</u>	<u>176,551,898</u>
Total liabilities and net assets	<u>\$448,191,010</u>	<u>\$ 27,511</u>	<u>\$11,606,145</u>	<u>\$14,974,685</u>	<u>\$7,369,619</u>	<u>\$2,669,460</u>	<u>\$ 78,557</u>	<u>\$9,482,803</u>	<u>\$ -</u>	<u>\$494,399,790</u>

CMC HEALTHCARE SYSTEM, INC.
CONSOLIDATING STATEMENT OF OPERATIONS
Year Ended September 30, 2018

	Catholic Medical Center	Physician Practice Associates	Alliance Enterprises	Alliance Resources	Alliance Ambu- latory Services	Alliance Health Services	Doctors Medical Association	Saint Peter's Home	Eliminations	Consolidated
Net patient service revenues, net of contractual allowances and discounts	\$436,357,697	\$ -	\$ -	\$ -	\$ -	\$16,152,678	\$ -	\$ -	\$ -	\$452,510,375
Provision for doubtful accounts	(19,593,714)	-	-	-	-	(740,535)	-	-	-	(20,334,249)
Net patient service revenues less provision for doubtful accounts	416,763,983	-	-	-	-	15,412,143	-	-	-	432,176,126
Other revenue	12,515,169	24,664,782	2,026,051	1,306,175	2,685,142	572,119	131,102	3,090,287	(27,536,141)	19,454,686
Disproportionate share funding	17,993,289	-	-	-	-	-	-	-	-	17,993,289
Total revenues	447,272,441	24,664,782	2,026,051	1,306,175	2,685,142	15,984,262	131,102	3,090,287	(27,536,141)	469,624,101
Expenses:										
Salaries, wages and fringe benefits	217,868,046	55,518,048	25,000	-	-	14,377,316	-	3,020,016	(23,995,148)	266,813,278
Supplies and other	153,527,155	2,191,509	752,790	1,016,430	-	5,867,844	142,023	333,456	(3,540,993)	160,290,214
New Hampshire Medicaid enhancement tax	19,968,497	-	-	-	-	-	-	-	-	19,968,497
Depreciation and amortization	14,972,724	-	333,910	594,149	-	41,518	-	194,683	-	16,136,984
Interest	3,933,617	-	435,148	-	-	-	-	-	-	4,368,765
Total expenses	410,270,039	57,709,557	1,546,848	1,610,579	-	20,286,678	142,023	3,548,155	(27,536,141)	467,577,738
Income (loss) from operations	37,002,402	(33,044,775)	479,203	(304,404)	2,685,142	(4,302,416)	(10,921)	(457,868)	-	2,046,363
Nonoperating gains (losses):										
Investment income	5,699,700	-	158,797	6	3,429	-	-	224,862	-	6,086,794
Net periodic pension cost, other than service cost	(1,023,371)	(57,068)	(18,653)	-	-	-	-	-	-	(1,099,092)
Contributions without donor restrictions	629,198	-	-	-	-	-	-	-	-	629,198
Development costs	(635,408)	-	-	-	-	-	-	-	-	(635,408)
Other nonoperating (loss) gain	(511,679)	-	8,285	-	-	-	-	14,100	-	(489,294)
Total nonoperating gains (losses), net	4,158,440	(57,068)	148,429	6	3,429	-	-	238,962	-	4,492,198
Excess (deficiency) of revenues over expenses	41,160,842	(33,101,843)	627,632	(304,398)	2,688,571	(4,302,416)	(10,921)	(218,906)	-	6,538,561
Unrealized appreciation on investments	2,184,604	-	-	-	-	-	-	140,547	-	2,325,151
Change in fair value of interest rate swap agreement	302,826	-	-	-	-	-	-	-	-	302,826
Assets released from restriction used for capital	128,600	-	-	-	-	-	-	-	-	128,600
Pension-related changes other than net periodic pension cost	18,843,760	1,364,053	229,118	-	-	-	-	-	-	20,436,931
Net transfers (to) from affiliates	(35,782,824)	31,967,000	223,054	1,112,760	(1,650,000)	4,130,000	-	10	-	-
Change in net assets without donor restrictions	\$ 26,837,808	\$ 229,210	\$ 1,079,804	\$ 808,362	\$ 1,038,571	\$ (172,416)	\$ (10,921)	\$ (78,349)	\$ -	\$ 29,732,069

Catholic Medical Center

Board of Trustees – 2020

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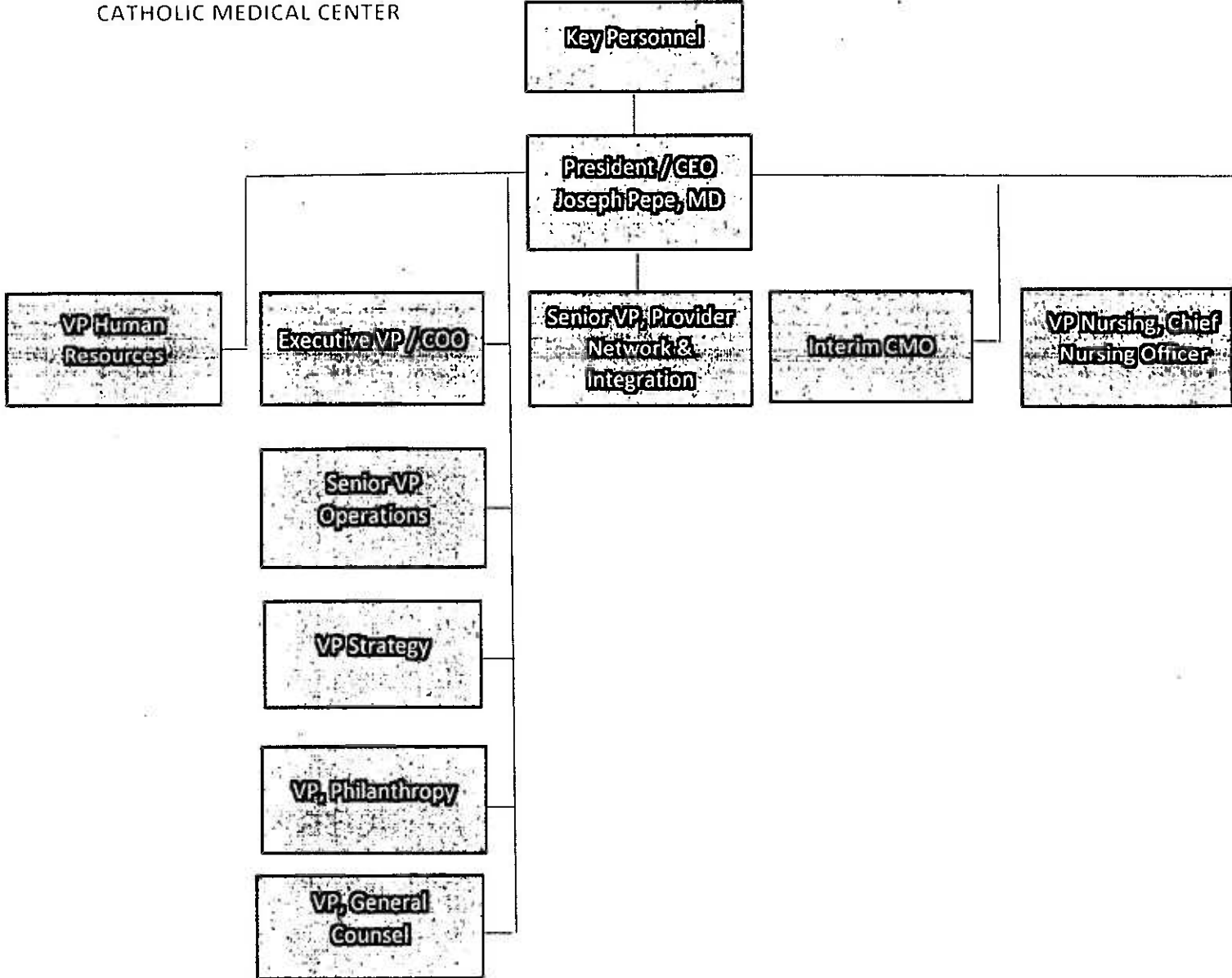
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CATHOLIC MEDICAL CENTER



Key Personnel - Salary and Job Descriptions

Title	Salary	Job Description
President & CEO	\$ 816,920.00	<input checked="" type="checkbox"/>
Executive VP,CFO	\$ 473,803.20	<input checked="" type="checkbox"/>
EVP/Chief Operating Officer	\$ 485,659.20	<input type="checkbox"/>
VP,Operations/CIO	\$ 273,603.20	<input checked="" type="checkbox"/>
VP of Nursing / Chief Nursing Officer	\$ 267,758.40	<input checked="" type="checkbox"/>
VP, General Counsel	\$ 216,320.00	<input type="checkbox"/>
Senior Vice President, Provider Network & Integration	\$ 297,731.20	<input checked="" type="checkbox"/>
Interim Chief Medical Officer / Executive Medical Director, Population Health	\$ 345,009.60	<input checked="" type="checkbox"/>
Executive Director, Physician Practice Associates	\$ 145,648.46	<input checked="" type="checkbox"/>
Senior Vice President, Operations	\$ 302,016.00	<input checked="" type="checkbox"/>
Executive Director, Surgical Services	\$ 189,408.13	<input checked="" type="checkbox"/>
Executive Director. Support Services / Security	\$ 126,250.00	<input type="checkbox"/>



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: January, 2013
EXEMPTION STATUS: Exempt
POSITION TITLE: President/CEO
DEPARTMENT/SERVICE: President/CEO
REPORTS TO: Board of Directors

POSITION SUMMARY:

Provides overall leadership, direction and management for Catholic Medical Center and its subsidiaries.

PRINCIPAL DUTIES AND RESPONSIBILITIES:

Under the direction of the Catholic Medical Center Board of Directors and within established Catholic Medical Center and Corporate policies and procedures, the incumbent performs the following functions:

1. Participates in Catholic Medical Center Board and Committee meetings and serves on the CMCPA Board.
2. Directs the development and implements the mission, business, strategic direction and objectives of the hospital and subsidiaries.
3. Directs the development of the operating policies, procedures, structures and programs required to implement the general policies established by the Boards of the hospital and subsidiaries.
4. Directs the general management of the organization, consistent with Catholic Medical Center's Bylaws, mission statement, vision and philosophy, to support the achievement of strategic objectives, keeping the Board informed about the plans, progress and financial condition of the organization.
5. Prepares and presents annually to the Board of Directors of Catholic Medical Center:
 - a. Short and long range strategic plans for Catholic Medical Center and subsidiaries.
 - b. Long term financial plans for the organization.
 - c. Operating and capital budgets for Catholic Medical Center and subsidiaries.
 - d. Public relations and marketing plans for Catholic Medical Center and subsidiaries.
 - e. Fund raising plans for Catholic Medical Center.

6. Assures compliance with Federal and State regulations and Joint Commission.
7. Oversees a corporate compliance plan to the organization.
8. Serves as liaison to Medical Executive Committee and medical staff.
9. Directs and maintains all physical properties of Catholic Medical Center and subsidiaries in good state of repair and operating conditions.
10. Participates in local, regional or national activities related to specific needs of the organization. Keeps the Catholic Medical Center Board informed about significant local, regional and national health care issues and trends.
11. Responsible for appropriate hiring, discipline and discharge of employees and organizes the executive corporate staff of Catholic Medical Center within approved resource constraints to support the achievement of the organization's strategic objectives, through the authority delegated by the Board of Directors.
12. Executes on behalf of Catholic Medical Center and its subsidiaries contractual agreements, leases, licenses, permits and certificates required for the operations of Catholic Medical Center and subsidiaries.
13. Directs the management of the organization's day-to-day operations, establishing operating policies and procedures; sets priorities and allocates resources to provide for the effective and cost-efficient functioning.
14. Conveys the image of the Catholic Medical Center; communicates the policies and priorities of the Board to the Executive Management Team and employees; represents the concerns of the various constituencies to the Board.
15. Directs the Executive and Senior Management Teams of the organization and conducts regular meetings of the Team.
16. Performs similar or related duties as assigned or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Physical requirements include ability to extend hand(s) and arm(s) in any direction; to pick, pinch, or otherwise work primarily with fingers, to grasp. Primary functions involve sitting most of the time, but walking and standing may be required occasionally.
2. Ability to express or exchange ideas by means of the spoken word. Primary functions include activities in which incumbent must convey detailed or important spoken instructions or discussion to employees, physicians, visitors and outsiders.
3. Ability to receive detailed information through oral communication and make fine discrimination in sound.
4. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting and extensive reading.
6. Ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure; participate in the formulation and carrying out of policies, objectives and programs for major division or functions; exercise considerable ingenuity and exceptional judgment to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility; direct and coordinate the work of subordinates in order to attain objectives.
7. Ability to endure periods of heavy workload or excessive stress; ability to work with frequent interruptions and respond appropriately to unexpected situations.
8. Ability to transport self to and from offsite locations.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally Monday through Friday, day shift; occasional requirements to participate in special events.

QUALIFICATIONS:

Education:

- Master's Degree in Hospital, Healthcare or Business Administration or a combination of equivalent education and related Senior Management experience.

Experience:

- Substantial related healthcare leadership experience as a CEO or a senior position, as deemed appropriate by Board of Trustees.

Licensure/Certification:

None

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

I have been given a copy of this position description, and have read and will comply with the expectations and requirements outlined in this position description. I understand that receipt of this position description is not meant to be constructed as or constitute a contract of employment.

Employee Name: _____

Employee Signature: _____ Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

The above information on this description has been designed to indicate the general nature and level of work performed by employees within this classification. It is not designed to contain or be interpreted as a comprehensive inventory of all duties, responsibilities, and qualifications required of employees assigned to this job.

This job description supersedes all other versions.



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM JOB DESCRIPTION



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: 11/12

EXEMPTION STATUS: Exempt

POSITION TITLE: Executive Vice President, Chief Financial Officer

DEPARTMENT/SERVICE: Finance

REPORTS TO: President/CEO

POSITION SUMMARY:

The EVP, CFO is responsible for the development, interpretation, coordination and administration of the system's policies on finance, accounting, insurance, investments, financing, internal controls and auditing. The position is also responsible for the maintenance of records and procedures required to adequately safeguard the assets of the system. The EVP, CFO participates in strategic planning, compatible with the system's objectives and financial business plan.

Under the overall direction of the President/CEO, and within established departmental policies and procedures, the incumbent performs the following functions:

PRINCIPAL DUTIES AND RESPONSIBILITIES:

1. Develops, interprets, coordinates and administers the corporate policies on finance, investments, insurance, accounting systems, internal controls and auditing. Maintains knowledge of national, state and local economic conditions and determines their impact on current operations. Keeps abreast of all regulatory activities which may influence the fiscal management of the system.
2. Prepares and presents consolidated, system-wide, operating and capital budgets to the Board of Trustees for their review and approval, in conjunction with the CEO.
3. Reviews each service provider's business plan and correlates the plans with operating budgets for appropriateness. Provides a corporate-wide review process of actual performance against budget to ensure that operations are maintained within allocated funding levels. Develops and maintains a corporate-wide auditing system.
4. Prepares and presents to management and the Board of Trustees periodic reports outlining the corporation's financial position in all areas by assets, liabilities, income, and expenses.
5. Prepares and files all federal, state and local financial reports.

6. Prepares and ensures the distribution of any dividends, cash distribution or other remuneration due investors for the for-profit corporations. Files required financial information with the Office of the Secretary of State.
7. Reviews and provides for current and adequate insurance protection to guard CMC from liability and/or loss.
8. Researches and acquires funding for various corporate ventures and initiatives.
9. Evaluates the system's rate structures and recommends changes, when needed.
10. Evaluates for management and the Board of Trustees, the system's objectives and programs as they relate to third-party reimbursement.
11. Negotiates agreements with health maintenance organizations, preferred provider organizations, and outside groups contracting for healthcare services.
12. Oversees the medical records and admissions functions.
13. Participates in the functions and activities of the CMC Executive Management Team, including but not limited to serving on committees and task forces, preparing reports as requested, and representing administration as needed or requested.
14. Works within policies, procedures and protocols as they relate to the job. Participates in appropriate role in disasters, fire drills, fires and other emergency situations according to location.
15. Exercises care in the operation and use of equipment and reference materials. Maintains work area in an orderly manner.
16. Is responsible for complying with and enforcing all established organizational and departmental policies and procedures.
17. Ensures confidentiality of employee, legal, budget, and company matters. Maintains good communications; establishes and maintains positive working relationships with employees, regulatory agencies, vendors, the public and among the hospital organizations.
18. Performs similar or related duties as required or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to bend the body downward and forward by bending spine at the waist. Ability to extend hand(s) and arm(s) in any direction. Ability to stand for sustained periods of time. Ability to move about on foot to accomplish tasks, particularly for long periods of time. Ability to raise objects from a lower to a higher position or moving objects horizontally from position to position.
2. Ability to pick, pinch, type or otherwise work primarily with fingers rather than the whole hand or arm as in handling.
3. Ability to express or exchange ideas by means of the spoken word. Incumbent must convey detailed questions to elicit information from others.
4. Ability to exert up to 10 pounds of force occasionally and or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. The incumbent is subject to both environmental conditions and activities that occur inside and outside.
6. Visual acuity sufficient for work which deals largely with preparing data and figures, accounting, and extensive reading.
7. The ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally works Monday through Friday day shift; expectation of evening, night, weekend scheduled or unscheduled requirements; periodic overnight travel for meetings, educational programs, etc.

QUALIFICATIONS:

Education:

- Bachelors Degree or a combination of related education, knowledge and related experience; Masters Degree in a related healthcare or business discipline preferred.

Experience:

- Sufficient previous experience as a Senior Level Manager in healthcare.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

I have been given a copy of this position description, and have read and will comply with the expectations and requirements outlined in this position description. I understand that receipt of this position description is not meant to be constructed as or constitute a contract of employment.

Employee Name: _____

Employee Signature: _____ Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

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This job description supersedes all other versions.



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM JOB DESCRIPTION



CATHOLIC MEDICAL CENTER HEALTH CARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: June, 2014
EXEMPTION STATUS: Exempt
POSITION TITLE: VP, CIO
DEPARTMENT/SERVICE: IS Executive
REPORTS TO: Executive Vice President / CFO

POSITION SUMMARY:

Responsible for all information and communication systems for the Health System Network, including voice and data communications networks, information systems business and clinical applications, and other related technologies as adopted by service lines and departments. Must ensure the continuous delivery of available and responsive systems, and timely and accurate data throughout Catholic Medical Center and its affiliates as appropriate. As a member of the senior management team, formulates plans for maximizing the use of information technology in support of corporate business objectives. Participates with senior management in a proactive manner to build strategic plans for the organization through the effective collection, organization and delivery of critical information to insure that information resources and services are in place to support established business plans. Manages a complex infrastructure supporting a diverse user base, utilizing applications provided by multiple vendors, including custom written and designed applications. The user community resides across multiple locations. The network operates 24x7x365, supporting over 250 individual applications

PRINCIPAL DUTIES AND RESPONSIBILITIES:

Under the general direction of the Executive Vice President/CFO and within established policies and procedures, the incumbent performs the following functions:

1. Directs and manages the information and communication technologies and services for fiscal, operational, clinical and decision-support uses for CMC and its affiliates.
2. Provides strategic and tactical planning, development, evaluation, and coordination of the information and technology systems for the health care network.
3. Facilitates communication between staff, management, vendors, and other technology resources within the organization.
4. Responsible for the management of multiple information and communications systems and projects, including voice, data, imaging, and office automation.

5. Plans, develops, implements, maintains and continuously enhances all network hardware and software for the corporation
6. Responsible for minimizing the investment required to produce established service levels. This requires the incumbent to maintain contact with suppliers and leasers of equipment and supplies, and to maintain a current knowledge and awareness of technology, equipment, prices and terms of agreements. The incumbent subsequently evaluates all factors, performs appropriate cost/benefit analysis and favors alternatives that minimize costs commensurate with acceptable risks. Defines, develops, designs and implements plans and strategies to maintain state-of-the-art solutions.
7. Designs, implements, and evaluates the systems that support end users in the productive use of computer hardware and software.
8. Develops and updates an information systems strategic plan for meeting current and future needs of CMC and its affiliates.
9. Coordinates the core steering group, and insures that it functions as a mechanism which improves the overall value of IT consistent with CMC priorities.
10. Serves as the principal developer of corporate policies and standards aimed at minimizing costs and maximizing controls related to the acquisition, implementation and operation of information and communication systems.
11. Coordinates allocation of resources to provide high levels of service for development of new technology solutions to support CMC strategies and priorities.
12. Provides periodic reports of IT activity, status, and costs to senior management, executive management, the board of directors, and various committees as required.
13. Provides leadership to multidisciplinary task forces and committees in defining and acquiring technology solutions to meet business requirements and CMC strategic priorities.
14. Participates in formal and informal CMC task forces and meetings involving planning, quality improvement, and other matters of priority to the Executive Management Team.
15. Ascertain, establishes and offers education and training programs for existing and future users.
16. Prepares, presents and administers plans, capital and operating budgets for the information services group. The incumbent has responsibility for monitoring IT activities and costs as they relate to the overall utilization of resources required to meet corporate I/S targets.
17. Interviews and selects candidates for employment. Orients, trains, supervises, directs, schedules and assigns work of subordinates. Outlines scope of authority as well as job responsibilities of employees under supervision. Initiates and approves personnel actions including, but not limited to, hiring, transferring, suspending, discharging, assigning, rewarding,

disciplining or adjusting of grievances involving assigned personnel. Prepares and conducts formal/informal performance evaluations and recommends merit increases.

18. Negotiates all hardware, software and integration contracts, soliciting involvement and participation of other management team members as appropriate.
19. Provides direction and monitoring of progress on major EDP/IS projects, including the rapid mobilization of resources to diminish implementation time lines and organizational impacts.
20. Develops and implements user-training programs.
21. Develops, implements and monitors the federal meaningful use requirements related to health information technology to ensure successful timely compliance with the financial incentives.
22. Interacts with senior management in determining systems needs, changes, improvements, and subsequently provides direction for new systems from project inception through installation and functional operation.
23. Develops and executes plans and programs to inform and communicate with users.
24. The incumbent must take a corporate view of systems and problems, and generate strategies that are consistent with the strategic goals of CMC, and in the best interest of the overall system.
25. Participates in the functions and activities of the CMC Senior Management Team, including but not limited to serving on committees and task forces, preparing reports as requested, and representing administration as needed or requested.
26. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of latest trends in field of expertise.
27. Exercises care in the use and operation of equipment and reference materials. Maintains work area in a clean and organized manner.
28. Ensures confidentiality of employee, legal, client/patient, budget and all company matters.
29. Participates in appropriate role in disaster and fire drills, fires, and other emergency situations.
30. Performs similar or related duties as requested or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Physical requirements include the ability to extend hand(s) and arm(s) in any direction; raise objects from a lower to a higher position or move objects horizontally from position to position; pick, pinch, type or otherwise work primarily with fingers rather than the whole hand or arm; apply pressure to an object with fingers and palm; sustain substantial movement of wrists, hands and/or fingers.
2. Ability to express or exchange ideas by means of the spoken word.
3. Ability to receive detailed information through oral communication and to make fine discriminations in sound.
4. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting, transcription, computer terminal work, and extensive reading.
6. Ability to endure periods of heavy workload or stress. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
7. Ability to transport self to and from off-site locations.
8. Requires the ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally Monday through Friday, days; occasional requirements to cover special events, periodic overnight travel, etc.

QUALIFICATIONS:

Education:

- Bachelor's degree in a related field required.
- Advanced degree (MBA, Master of Health Care Administration, Master of Computer Science) preferred.

Experience:

- A minimum of fifteen years information systems management experience preferably in the application and delivery of information system technologies in a health care environment.

- System integration experience implementing systems which involve multiple vendors and multidisciplinary teams under specific schedules and budgets with committed deliverables.
- Must have a strong background and experience with project management methodologies including a successful track record of large scale information systems project implementations. Must understand and be capable of coordinating a healthcare business strategy to the application of information technology. Must be capable of anticipating the information technology needs of the organization as a result of the strategic initiatives which have been established.
- The successful candidate will have strong skills in information technology components including but not limited to local and wide area network topologies, hardware components, voice communication technologies including tariffs and regulatory considerations. Knowledge of computer hardware and data base architectures, including relational, basic, objected based technologies, and electronic data exchange, programming languages, and fourth and fifth generation tools. The candidate must have a strong understanding of the personal computer industry, the trends that drive it as well as the IT industry in general.
- The candidate must have a background in business and clinical systems, including experience in their implementation in a hospital system with a strong ambulatory presence. Merger, conversion, and consolidation experience is a must.
- The individual must be capable of evaluating the effectiveness of the I/S staff across a variety of disciplines including communications, systems development, operations, people management , strategic planning, and personal computer deployment and use.
- Strong planning and accounting skills including the ability to construct strategic plans, analyze cash flows, along with the long term implications of capital and expense expenditures.
- Strong communication skills including the ability to interact with executive level management, physicians, community business leaders, patients, employees and agencies. The ability to speak in a public forum, present ideas, and generate acceptance of concepts and strategies.
- Training and experience in contract law, and contract management, including the preparation and management of system integration contracts which have fixed time frames, penalties, and deliverables. Training and experience in the preparation and development of software license agreements.
- Training and experience in the development of I/T lease arrangements including step leases, capital leases, operating leases, and technology exchange leases.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

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Employee Name: _____

Employee Signature: _____ Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

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This job description supersedes all other versions.



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION



CATHOLIC MEDICAL CENTER HEALTH CARE SYSTEM MISSION STATEMENT

The heart of Catholic Medical Center is carry out Christ's healing ministry by offering health, healing, and hope to every individual who seeks our care.

EFFECTIVE DATE: May, 2018
EXEMPTION STATUS: Exempt
POSITION TITLE: Vice President of Nursing/ Chief Nursing Officer
DEPARTMENT/SERVICE: Chief Nurse Officer
REPORTS TO: President/CEO

POSITION SUMMARY:

The Vice President and Chief Nursing Officer is responsible for all professional administrative activities in the department of nursing. Administers the interpretation and implementation of the standards of nursing practice throughout CMC, assures that competent, compassionate standards are uniformly applied in the provision of patient care across all service lines. Plans, organizes, implements and evaluates supportive and evaluative services that provide to all patient care and hospital areas mechanisms to achieve a clinical environment that provides for the comfort and safety of all patients.

Supervises and directs patient care services leadership toward attainment of identified short- and long-term goals and objectives; executes strategies and plans designed to achieve said objectives and collaborating with other hospital executives to meet organizational goals and objectives.

Provides for an efficient and effective mechanism of communication that assures consistency across all service lines and within all hospital departments. Assists other Vice Presidents and senior executives in the clinical administration of the hospital.

PRINCIPAL DUTIES AND RESPONSIBILITIES:

Under the general direction of the CEO and in collaboration with the Sr. Vice President of Operations and within established CMC and departmental policies and procedures and all applicable laws, through own actions or by delegating to appropriate co-workers, the incumbent performs the following functions:

- 1. Interprets and oversees the implementation and evaluation of uniform quality standards for nursing practice that are approved by recognized experts and other accreditation agencies.
- 2. Works closely with management, senior leaders and nursing leadership in developing and maintaining all the nursing affairs of the hospital.
- 3. Works in coordination with the EVP/CFO, EVP/COO and Senior VPs on all matters relating to smooth operations, efficiencies, short and long-term strategies of the Medical Center.

4. Identifies and articulates the vision and strategic direction for the delivery of patient care and the discipline of Nursing across all patient care settings, directs and collaborates on the implementation of strategies to achieve them.
5. Creates an environment in which collaboration is valued and excellence in clinical care, education, and research is promoted and achieved.
6. Establishes vision and is accountable for programs which support the nursing profession such as professional recognition programs, nursing leadership development, nursing research and nursing tuition programs.
7. Oversees the development of educational programs that will assist with the interpretation of the standards of practice and their application to direct patient care.
8. Partners with the Medical Staff, CMO, PI and Infection control to promote patient safety and quality patient care.
9. Oversees patient experience as it relates to nursing.
10. Maintains a "just culture" in regards to nursing peer review and quality improvement.
11. Partners with Office of Catholic Identity to ensure the Ethical and Religious Directives for Healthcare Services are evident in provision of patient care
12. Serves as the senior spokesperson for Nursing. Advises the senior leadership, the medical staff, board and individual clinical facilities and other internal and external groups by providing input about the implications of decisions and change on the quality of patient care, on nursing practice, and on nursing care provider
13. Develops and ensures a safe and effective patient care environment through participation in institutional planning, product evaluation, and evaluation of new systems and programs that impact nursing care in the organization.
14. Introduces methods that will help the hospital and nursing staff be efficient in providing care and developing lines of communication and flow of information among the administration, medical staff and nursing.
15. Disseminates information to responsible departments and promotes communication exchange
16. Communicates policies and priorities of CMC to the nursing staff.
17. Assures the provision of a clinical environment for students in nursing and other related health fields. Assures that the educational objectives of the students and the placement within the organization are consistent. Ensures that the State Board of Nursing receives the student affiliation schedules.
18. Assures compliance for TJC, HCFA and other State and Federal regulatory bodies.

19. Maintains an appropriate patient classification system. Assures that the appropriate numbers and classification of personnel are assigned to provide patient care. Reviews, with the appropriate executive, any discrepancies that exist.
20. Assures that the appropriate contractual agreements are current and meet insurance and legal requirements for the use of outside nursing agencies. Assures that appropriate orientation and evaluation of the agency nurses are completed and kept on file.
21. Maintains a system for assuring that the licenses of the nursing personnel are current. Maintains communication with the State Board of Nursing and communicates any changes or disciplinary action necessary to the nursing personnel.
22. Promotes and fosters an inter-professional approach to patient care, and the coordination of care among disciplines.
23. Creates an environment that encourages recruiting and retention of clinical employees.
24. Interviews and selects candidates for employment. Orients, trains, supervises, directs, schedules and assigns work of subordinate staff whether through own efforts or by delegation to subordinate supervisory staff.
25. In conjunction with HR, responsible for appropriate hiring, disciplining and discharging of employees overseen by this position within the constraints of the budget and authority delegated by the CEO.
26. Outlines scope of authority as well as job responsibilities of employees under supervision. Initiates and approves personnel actions including, but not limited to, hiring, transferring, suspending, discharging, assigning, rewarding, disciplining or adjusting of grievances involving assigned personnel. Prepares and conducts formal/informal performance evaluations and recommends merit increases.
27. Provides leadership and direction for the development of strategies to promote the recruitment, retention, and recognition of excellence in Nursing; including but not limited to the oversight and recommendations regarding compensation and benefit programs for nursing staff
28. Prepares or directs preparation of departmental budgets and works within established budgetary guidelines. Reviews specifications and coordinates purchase of equipment, technology, services and/or manpower to achieve cost-effective acquisitions to meet the needs and goals of the departments and subsidiary companies. Evaluates results of purchases and monitors contractual agreements to ensure value is received and takes action to eliminate non-value costs.
29. Oversees the Nursing Shared Governance Structure and leads the Nursing Leadership Council.
30. Resolves grievances related to the nursing staff interactions with patients, families, nurses, hospital staff and administration in conjunction with the patient liaison and patient experience department.

31. Serves as the administrative liaison to board committees as requested. Attends and serves on professional/civic service organizations as a CMC representative.
32. Attends meetings and *ad hoc* task forces in matters relating to hospital needs.
33. Assists in planning new services that generate additional sources of patient care and revenue.
34. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of latest trends in field of expertise.
35. Represents the best interests of CMC in the community or on any community Boards.
36. Exercises care in the use and operation of CMC equipment and reference materials.
37. Ensures confidentiality of employee, legal, budget and CMC matters.
38. Conducts all of the above and performs similar or related duties as required or directed by the CEO and consistent with the mission of CMC with the utmost degree of ethics and professionalism

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
2. Ability to endure periods of heavy workload or stress. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
3. Ability to transport self to and from off-site locations.
4. Ability to plan and perform diversified duties requiring an extensive knowledge of a particular field and the use of a wide range of procedures. Involves the exercise of judgment in the analysis of facts and conditions regarding individual problems or transactions to determine what actions should be taken, modifying or adapting standard procedures to meet different conditions, making decisions based on precedent and policy.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally Monday through Friday, days; occasional requirements to be called and called in nights and weekends and cover special events, periodic overnight travel, etc.

QUALIFICATIONS:

Education:

- Graduate of an N.L.N. approved nursing program.
- Masters Degree in Nursing required.

Experience:

- Minimum of seven (7) or more years of experience in Nursing Administration at the executive level.

Licensure/Certification:

- Current registration in the State of New Hampshire as a Registered Nurse.
- Nursing Administration certification strongly preferred.

Standard of Business Conduct:

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

I have been given a copy of this position description, and have read and will comply with the expectations and requirements outlined in this position description. I understand that receipt of this position description is not meant to be constructed as or constitute a contract of employment.

Employee

Name: _____

Employee Signature: _____

Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

The above information on this description has been designed to indicate the general nature and level of work performed by employees within this classification. It is not designed to contain or be interpreted as a comprehensive inventory of all duties, responsibilities, and qualifications required of employees assigned to this job.

This job description supersedes all other versions.

CATHOLIC MEDICAL CENTER JOB DESCRIPTION

TITLE:	Vice President Patient & Physician Support Services	COMPENSATION APPROVAL: _____
DEPARTMENT:	Administration	EFFECTIVE: ____/____/____
REPORTS TO:	CEO, President, & SVP, COO	APPROVAL: _____

PRIMARY PURPOSE

The Vice President, Patient and Physician Support Services, is responsible for the administrative direction including planning, organizing, budgeting, implementing, evaluating and ensuring the efficient, economic, and quality performance of all assigned departments/areas of responsibility to support or provide quality health care services, assures that standards are uniformly applied in the provision of patient care across services lines. Accountable for the following departments: Admissions, Health Information Management, Social Work/Case Management, Pastoral Care, Patient Complaint Program, Quality Management (Hospital and Medical Staff), Credentialing, CME, Attendant Services, Risk Management, Corporate Compliance, the Medical Management Program, CMC Medical Director, and the Physician Advisor for Medical Management.

DUTIES AND RESPONSIBILITIES

Under the direction of the Chief Executive Officer and SVP, COO, and within established organizational and departmental policies and procedures, JCAHO standards, and all-applicable state and federal regulations, the incumbent performs the following functions:

Primary Functions:

1. Provides leadership, direction and general management to the department directors and programs including, but not limited to, developing goals and objectives, establishing and implementing policies and procedures for the operational and long-range planning of services of Catholic Medical Center.
2. Develops collaborative, influential relationships with the medical staff, third party payors, community agencies, nursing homes, and the QIO to assure efficient systems and resource utilization along the continuum to provide the consistent delivery of high quality services to patients, the community, and medical staff.
3. Assists in maintaining a hospital-wide Quality Management Program that evaluates the quality of care provided to patients and meets the requirements of accrediting agencies, including the Medical Staff. Serves as the Senior Management representative to the Board of Directors for the Quality Management Committee.
4. Responsible for the Patient Complaint Program supporting the rights of patients, addressing their needs and ethical concerns, and evaluating patient satisfaction.
5. Assures that the Admission Department supports the financial and informational needs of all departments to have correct demographic and billing information. Assures systems are in place for bed placement throughout the hospital, including pre-admissions and direct admissions.
6. Assures the provision of Social Work/Case Management services meet resource management, discharge planning, medical management (including physician profiling, clinical resource utilization, nursing unit profiles, avoidable days), patient rights, ethics and legal requirements of Catholic Medical Center and its subsidiaries. Identifies opportunities for improvements with length of stay reduction, practice variation, and cost savings processes without compromising quality patient care.
7. Assures the provision of Pastoral Care services to patients, family members and staff.
8. Provides leadership and overall direction for Quality Management, Medical Staff Support Services, CME, the Medical Staff, including medical staff committees, (i.e., Credentials Committee, Medical Executive Committee, Professional Health Committee) and Peer Review. Assures appropriate processes and systems are in place

for the credentialing of medical staff members (initial appointments and reappointments), and serves as the Senior Manager responsible for medical staff quality, risk management functions, corporate compliance and patient complaints.

9. Assures the Health Information Management Department meets the needs of Catholic Medical Center, physicians, payors and hospital-wide departments in accordance with state, federal and JCAHO regulations. Provides leadership and direction for appropriate education of medical staff and hospital employees including compliance, coding, documentation, and reimbursement functions.
10. Provides direction for system wide programs, policies, and procedures to ensure compliance with applicable federal and state laws (i.e. CMS and Medicaid) and JCAHO for all CMC employees, medical staff and volunteers.
11. Provides facilitation for process improvement within departments in order to impact on overall cost, quality and satisfaction for patient care.
12. Provides support to all hospital departments to assist them in the provision of patient care.
13. Interviews and selects candidates for employment. Orients, trains, supervises, directs, schedules and assigns work of subordinate staff whether through own efforts or by delegation to subordinate supervisory staff. Outlines scope of authority as well as job responsibilities of employees under supervision. Initiates and approves personnel actions including, but not limited to, hiring, transferring, suspending, discharging, assigning, rewarding, disciplining or adjusting of grievances involving assigned personnel. Prepares and conducts formal/informal performance evaluations and recommends merit increases.
14. Prepares or directs preparation of departmental budgets and works within established budgetary guidelines. Reviews specifications and coordinates purchase of equipment, technology, services and/or manpower to achieve cost-effective acquisitions to meet the needs and goals of departments and subsidiary companies. Evaluates results of purchases and monitors contractual agreements to ensure value is received.
15. Keeps the Chief Executive Officer/COO informed of all events, activities, or problems, which will, or may have, a significant effect on hospital operations.
16. Assures appropriate policies, procedures and guidelines are in place with managed care contracting impacting on financial reimbursement, quality medical management and satisfaction including capitated contracts.
17. Participates in Strategic Planning functions of the hospital, including the management, organization, participation and timely completion of special projects assigned by the CEO.
18. Provides direction and participation in the development of organization-wide management educational activities.
19. Attends Executive Committee of the Medical Staff and other medical staff committees as needed. Facilitates and/or chairs medical staff work teams to assure that the planning and development of services is completed.
20. Works closely with members of the medical staff, their elected officers and department chairs/chiefs to resolve issues, advance new and improved clinical programs, and ensure quality of care.
21. Works with medical staff members to maintain and improve performance in financial, utilization and patient/payor satisfaction matters.
22. Develops and maintains effective relations with internal and external constituents.
23. Provides educational activities and written communication to physicians related to the following: policies and procedures that affect their practices directly, initiatives within the organization as well as current market activities in the surrounding geographic market.

Secondary Functions:

1. Attends/participates and serves on professional/civic service organizations as a Catholic Medical Center Senior Management representative.
2. Works within policies, procedures and protocols as they relate to the job. Participates in appropriate role in disasters, fire drills, fires and other emergency situations according to location.
3. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of latest trends in field of expertise.
4. Serves as the administrative liaison to Medical Staff, Ethics Board Committees, Quality Management Committee, and other board committees as requested.
5. Exercises care in the use and operation of Catholic Medical Center equipment and reference materials.
6. Ensures confidentiality of employee, legal, budget and Catholic Medical Center matters.
7. Performs similar or related duties as requested or directed.

Knowledge, Skills and Abilities

Individuals must possess the knowledge, skills, and abilities listed or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements with or without the aid of mechanical devices to safely perform the essential functions of the job.

1. Ability to deliver patient care in a manner that is appropriate to patient's age, physical ability and intellectual development. Must demonstrate proficiency in assessing treatment and responses and adapting care to meet the needs of the patient population served; neonatal, pediatric, adolescent, adult and/or geriatric.
2. Physical requirements include ability to extend hand(s) and arm(s) in any direction; raise objects from a lower to a higher position or move objects horizontally from position to position; pick, pinch, type, or otherwise work primarily with fingers rather than the whole hand or arm; apply pressure to an object with fingers and palm; sustain substantial movement of wrists, hands and/or fingers.
3. Ability to express or exchange ideas by means of the spoken word. Essential functions include activities in which incumbent must convey detailed or important spoken instructions to employees, physicians, patients, families, and external contacts.
4. Ability to receive detailed information through oral communication and to make fine discrimination in sound.
5. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
6. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting, transcription, computer terminal work, and extensive reading.
7. Ability to endure periods of heavy workload or stress. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
8. Ability to transport self to and from off-site locations.
9. Ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

10. Working knowledge of hospital organization, management, and operations. Basic knowledge of hospital accounting and finance, JCAHO standards, state and local government regulations, and human resources principles.
11. Ability to plan and perform diversified duties requiring an extensive knowledge of a particular field and the use of a wide range of procedures. Involves the exercise of judgment in the analysis of facts and conditions regarding individual problems or transactions to determine what actions should be taken, modifying or adapting standard procedures to meet different conditions, making decisions based on precedent and policy.
12. Ability to receive training and guidelines from supervisor before assuming program responsibilities. Functions independently following training.
13. Familiarity with database, spreadsheet and word processing software.
14. Ability to interact effectively with people of varied educational, socioeconomic and ethnic backgrounds, skill levels and value systems. Ability to work closely and professionally with representatives of regulatory, civic, and service organizations, healthcare professionals and members of the medical staff.
15. Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. Responsible for detecting offenses by employees within ones department. Requires that suspicion or knowledge of any person(s) violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

OSHA RATING: 2
ACCESS TO PHI: Limited
WORK SCHEDULE: Generally Monday through Friday, day shift; expectation of evening, night, weekend scheduled or unscheduled requirements; Periodic overnight travel for meetings, educational programs, etc. Ability to take Administrative On-call.

QUALIFICATIONS:

Education: Masters Degree in Hospital or Health Care Administration or Business

Experience: Minimum of seven years experience in a management position in health care, including Operations, program planning and strategic development.



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM JOB DESCRIPTION



CATHOLIC MEDICAL CENTER HEALTH CARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: October, 2012

POSITION TITLE: Executive Medical Director of Catholic Medical Center Health Systems

DEPARTMENT/SERVICE: Administration

REPORTS TO: SRVP/Operations / NEHI & Physician Practices

COMPENSATION: See Contract

POSITION SUMMARY

Executive Medical Director at Catholic Medical Center Health Systems (CMCHS) is responsible for advancing new and improved clinical programs, ensuring low cost, high quality of care and improving performance in financial, utilization and patient/family/payer satisfaction matters.

PRINCIPAL DUTIES AND RESPONSIBILITIES

Under the general direction of the SRVP/ Operations/NEHI & Physician Practices, within established departmental policies and procedures and all applicable laws, through own actions or by delegating to appropriate co-workers, the incumbent, performs the following functions:

1. Cooperates and participates in the development of overall strategic vision and plan for the hospital system with an emphasis on physician integration and aligning hospital and physician interests as well as creating value.
2. Works closely with the SRVP/ Operations / NEHI & Physician Practices in developing and maintaining internal and external stakeholder relationships and programs and initiatives.
3. Works closely with the Chief Medical Officer (CMO) and the administration to help the hospital and its medical staff be more effective and efficient in providing care and develop lines of communication and flow of information between administration and the medical staff with the help of physician leaders.
4. With the CMO and CMC Medical Directors, serves as a resource to the medical staff in regard to compliance and consistency in credentialing, reappointments, risk, quality, bylaws, policies, rules and regulations.
5. Works in coordination with the CMO and others in administration to resolve grievances relating to the medical staff interactions with patients, families, nurses, hospital staff and administration.

6. Assists the CMO and the medical staff in the process of risk/quality and corrective actions by education and communication.
7. Supports the medical staff elements of The Joint Commission (TJC), Centers for Medicare and Medicaid (CMS) and well as other accreditation and regulatory bodies.
8. Identifies and encourages future physician leaders.
9. Meets with and supports current medical staff leaders including elected medical staff and appointed medical directors to provide mentoring, guidance, education, and coordination of services.
10. Participates in the functions and activities of the CMC Management Team, including but not limited to serving on committees and task forces and performs other duties as physician leader when requested or needed.
11. Participates in appropriate role in disasters, fire drills, fires and other emergency situations according to location.
12. Responsible for compliance and enforcement of all established organizational and department policies and procedures.
13. Ensures confidentiality of employees, legal, budgetary, and company matters. Maintain good communications; establishes and maintains positive working relationships with employees, physicians, regulatory agencies, vendors, consultants, and the public.
14. Performs similar or related duties as required or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the knowledge, skills and abilities listed or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and possess the necessary physical requirements with or without the aid of mechanical devices, to safely perform the essential functions of the job.

1. Physical requirements include the ability to raise objects from a lower to a higher position or to move objects horizontally from position to position; the ability to extend hand(s) and arm(s) in any direction; pick, pinch, type or otherwise primarily work with fingers; Perceiving attributes of objects such as size, shape, temperature or texture by touching with skin, particularly that of fingertips; use upper extremities to exert force in order to draw, haul or tug objects in a sustained motion; to press against something with steady force in order to thrust forward, downward or outward; apply pressure to an object with the fingers and palm; ability to substantially move wrists, hands and/or fingers; bending body downward and forward by bending spine at the waist; bending body downward and forward by bending leg and spine; ability to bend legs at knee to come to rest on the knee or knees.

2. Ability to express or exchange ideas by means of the spoken word. Essential functions include activities in which incumbent must convey detailed or important spoken instructions to patients, physicians, families and other employees.
3. Ability to receive detailed information through oral communication and to make fine discriminations in sound.
4. Ability to exert up to 20 pounds of force occasionally, and/or a negligible amount of force constantly to move objects.
5. The incumbent is subject to hazards including a variety of physical conditions such as proximity to moving mechanical parts and electrical currents or exposure to chemicals.
6. The incumbent is subject to normal inside environmental conditions.
7. The incumbent is not substantially exposed to adverse environmental conditions.
8. Visual acuity sufficient for work which deals largely with preparing data and figures, accounting, transcription, computer terminal operation and extensive reading.
9. Requires the ability to plan and perform diversified duties requiring an extensive knowledge of a particular field and the use of a wide range of procedures. Involves the exercise of judgment in the analysis of facts and conditions regarding individual problems or transactions to determine what actions should be taken within the limits of standard practice.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Complete

QUALIFICATIONS

Education:

- MD or DO degree

Experience:

- A minimum of 15 years as a Clinical Physician and experience as a Physician Leader such as Medical Director, President of the Medical Staff or Chair of the Department.

Standard of Business Conduct

Individuals are required to refrain from participating in any activities that could be construed as fraud and abuse. Requires the ability to follow Catholic Medical Center's Standards of Business Conduct in any instance where you feel there is suspicion of fraud or abuse, or a violation of the law. The Standards of Business Conduct requires that suspicion or knowledge of any person(s) in violation of the Code be reported to the Corporate Compliance Officer. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance.

SIGNATURES

I have been given a copy of this position description, and have read and will comply with the expectations and requirements outlined in this position description. I understand that receipt of this position description is not meant to be constructed as or constitute a contract of employment.

Employee Name: _____

Employee Signature: _____ Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

Disclaimer:

The above information on this description has been designed to indicate the general nature and level of work performed by employees within this classification. It is not designed to contain or be interpreted as a comprehensive inventory of all duties, responsibilities, and qualifications required of employees assigned to this job.

This job description supersedes all other versions.



**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTH CARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: December 2017
Reviewed December 2017 CO

EXEMPTION STATUS: Exempt

POSITION TITLE: Executive Director of Operations, PPAPC
DEPARTMENT/SERVICE: Catholic Medical Center - Physician Practices
REPORTS TO: SVP, NEHI/Physician Practice Network

POSITION SUMMARY:

The Executive Director of Operations, PPAPC is responsible for the planning, assessment, evaluation and operations of the PPAPC of Catholic Medical Center. Manages the delivery of services and responsible to oversee new initiatives, process improvement initiatives and data collection and analysis within the PPAPC network. In addition the Executive Director will have operational and financial management responsibilities for the PPAPC. This will be accomplished through collaboration with other practice managers, SVP, NEHI/Physician Practice Network, Medical Director of the PPAPC and the providers to meet the performance objectives of Physician Practice Associates.

PRINCIPAL DUTIES AND RESPONSIBILITIES:

Under the direction supervision of the SVP, NEHI/Physician Practice Network and in collaboration with the (PPA) Physician Practice Associates Medical Director, and within established policies and procedures, the incumbent performs the following essential functions:

1. Creates and provides a framework for quality reporting (dashboards) that are consistent with the PCMH initiative to include the ACO's and private insurer's quality indicators.
2. In conjunction with the SVP of PPAPC prioritizes initiatives and develops time frames and implementation plans.
3. Assumes oversight of and develops process improvement initiatives of the PPAPC along with input from SVP, Medical Director and Practice managers
4. Works with and oversees the PM on implementation of process improvement activities to standardize key workflows
5. Collaborates with IT and the EMR to include implementation of new systems for the PPAPC.

6. Works with PM to develop management tools for improved monitoring of practice management. Develops tools to monitor the PPAPC on provider productivity, revenue enhancement, expense management and provider satisfaction with PPA.
7. Directs the implementation of the PCMH model with the PPAPC.
8. Provides direction to practice through monthly monitoring and achievement of annual budget and business plan. Communicates practice achievement plan to provider and staff to ensure targets are met/exceeded. Places emphasis on provider productivity, revenue enhancement, expense management and provider satisfaction with PPA.
9. Oversees the PM to direct the day to day operation of practice. Implements PPA best practice models in clerical and clinical areas, medical record management protocols, and regulatory compliance, including adherence to Joint Commission standards.
10. Provides or delegates training on policies and procedures (e.g. registration, billing coding, new payer plans, reimbursement and accounting).
11. Works collaboratively with the Medical Director, SVP and the Physician Recruiter in the hiring and integration of new providers to the PPAPC in a timely fashion.
12. Assures credentialing process of provider is accurate and complete. Guides provider enrollment into appropriate payer plans.
13. Conducts regular meetings at each practice with provider and staff to keep information current and resolve issues. Prepares agendas and maintains meeting minutes.
14. In association with the finance team and the practice managers develops operational and capital budgets. Ensures practice managers are within budget.
15. Oversees physical property in conjunction with CMC Property Manager; serves as a liaison between offsite facilities manager, condo associations as appropriate and Practice.
16. Along with the practice managers, reviews each practice's monthly income statement and registration/billing reports - provides financial information to each provider on a regular basis.
17. Works in conjunction with Catholic Medical Centers Compliance Director and (PPA) Physician Practice Associates Medical Director to ensure practice meets required compliance and clinical competency thresholds.
18. Notifies SVP, NEHI/Physician Practice Network and the Medical Director, PPAPC of key provider issues on regular basis, with proposed resolutions. Implements resolutions.
19. Implements and supports a system of continuous quality improvement to ensure effective and efficient use of resources and smooth patient flow, while adhering to budget and optimizing provider productivity.
20. Adheres to all operational excellence standards and stresses excellence to all practice personnel.
21. Provides periodic reports or other data relative to practice operations to PPA management.

22. Ensures rental and internal/external service contracts for property and equipment are current and services are value-added works, in conjunction with the SVP, NEHI/Physician Practice Network and hospital policies.
23. Works with the SVP, NEHI/Physician Practice Network with regard to office building and architect in construction projects, providing direction on facility location, design, equipment, furniture, etc. Responsible for selection, purchase and delivery of equipment, furniture and supplies, within established purchasing policies and budget constraints.
24. Integrates practice with Human Resources and ensures clerical and clinical vacancies are filled/covered in a timely fashion. Ensures staff coverage for vacancies.
25. Analyzes results of patient satisfaction surveys on a monthly basis and takes appropriate action to improve satisfaction level.
26. Works in collaboration with billing department to ensure that billing is done timely and effectively. Assists PPA Administration and provides feedback when testing new billing/registration models, enhancements, and changes to the billing system.
27. Investigates any patient complaints, assuring a satisfactory resolution.
28. Ensures confidentiality of employee, legal, client/patient, budget and all company matters.
29. Interviews and selects candidates for employment within area of responsibility. Develops a comprehensive orientation plan for new employees. In conjunction with Human Resource Services, outlines scope of authority as well as job responsibilities. Initiates and/or makes recommendations for personnel actions, including but not limited to hiring, transferring, suspending, discharging, assigning, rewarding or disciplining involving assigned personnel. Prepares and conducts formal/informal performance evaluations, or job performance improvement plans and recommends appropriate merit increases involving subordinate staff.
30. Ensures all staff maintains appropriate competencies (licensure & certifications) within area of responsibility per job description.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift; carry, push, pull or otherwise move objects.
2. Ability to endure periods of heavy workload or stress.
3. Ability to work independently with frequent interruptions and respond appropriately to unexpected situations; be even-tempered and flexible.

4. Ability to manage and direct subordinates including the delegation of authority and responsibility. Skill in evaluating the effectiveness of existing methods and procedures.
5. Ability to accept constructive feedback and initiate appropriate actions to correct situations.
6. Ability to establish an atmosphere of collaboration.
7. Ability to transport self to and from off-site locations.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Complete

WORK SCHEDULE:

- Generally Monday through Friday, day shift. Must be able to work additional hours as required to respond to the demands of the position.

QUALIFICATIONS:

Education:

- Master's Degree preferred.

Experience:

- Three years of relevant experience in healthcare management, billing and reimbursement or related field preferred.

Licensure/Certification:

- None

Standard of Business Conduct

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Employee Name: *(Please Print)* _____

Employee Signature: _____ Date: _____

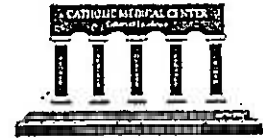
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This job description supersedes all other versions.



CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION



GATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM MISSION STATEMENT

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.

EFFECTIVE DATE: November, 2012

EXEMPTION STATUS: Exempt

POSITION TITLE: Senior Vice President, Operations / Strategic Development

DEPARTMENT/SERVICE: General Counsel

REPORTS TO: President/CEO

POSITION SUMMARY:

The Senior Vice President of Operations and Strategic Development is responsible for overseeing long-term strategic initiatives of the Hospital both internal and external to the institution. The Senior Vice President of Operations and Strategic Development participates in all strategic development and planning, including the management, organization and implementation of special projects assigned by the President/Chief Executive Officer. The Senior VP Operations/ Strategic Development will also function as the General Counsel. General Counsel is responsible for overseeing and directing all of the legal affairs of Catholic Medical Center and its affiliated entities and subsidiaries. The General Counsel is responsible for protecting the organization from legal and regulatory risk.

Under the overall direction of the President/CEO, and within established departmental policies and procedures, the incumbent performs the following functions:

PRINCIPAL DUTIES AND RESPONSIBILITIES:

1. Responsible for overseeing long-term strategic initiatives both internal and external to CMC.
2. Participates in all strategic development and planning, including the management, organization and implementation of special projects assigned by the President/CEO.
3. Responsible for overseeing Vice President of Strategy.
4. Serves as General Counsel to the CEO and the Board of Trustees on matters affecting Catholic Medical Center and its affiliated entities and subsidiaries. Maintains knowledge of federal and state laws and regulations and determines their impact on the organization's operations and strategic initiatives. Keeps abreast of all legal and regulatory activities which may influence the operations of the system.
5. Maintains, develops and reviews policies, procedures and practices to ensure compliance with federal and state laws and regulations. Develops, recommends and implements changes to existing policies, procedures and programs as necessary.

6. Responsible for overseeing Vice President of Human Resources and the Human Resources department as it relates to employment, compensation, benefits administrations, employee/labor relations, policies and procedures, organization development and training and employee records. Outlines scope of authority and job descriptions of employees under supervision; initiates personnel actions, including but not limited to hiring, transferring, suspending, discharging, assigning rewards and disciplinary of adjusting of grievances involving assigned personnel. Prepares and conducts formal and informal performance evaluations and recommends appropriate merit awards for employees under supervision.
7. Responsible for overseeing the Quality department, including the Data Center.
8. Responsible for overseeing and participation in all strategic planning initiatives, including identifying and pursuing opportunities to grow the organization through strategic transactions.
9. Responsible for Community Relations and Governmental Affairs. Responsible for maintaining strong relationships with community and business leaders to enhance the goodwill and reputation of the organization through regular and active participation in community events and service on appropriate non-profit boards.
10. Keeps the CEO informed of all legal and regulatory events, activities or issues which may have a significant effect on hospital operations.
11. Manages and oversees all legal and regulatory actions which may be brought against the organization, including hiring and overseeing outside legal counsel.
12. Prepares and presents to management and the Board of Trustees regular reports outlining the organization's legal and regulatory affairs.
13. Manages and oversees all the organization's governmental affairs and relations at federal, state and local levels. Responsible for maintaining strong relationships with governmental leaders and elected officials for the benefit of the organization.
14. Oversees corporate compliance and risk management for the organization.
15. Maintains personal and professional training and development. Keeps abreast of changes and maintains status in the field. Maintains professional affiliations, attends outside seminars and conferences, and confers with peers at other hospitals and organizations.
16. Serves as management representative to the Board of Trustees on appropriate committees. Serves as representative of the hospital and /or CEO on various affiliated boards of the organization.
17. Participates in the functions and activities of the Catholic Medical Center Executive Management Team, including but not limited to assigned operations of the Hospital, serving on committees and task forces, preparing reports as requested, and representing administration as needed or requested.

18. Works within policies, procedures and protocols as they relate to the job. Participates in appropriate role in disasters, fire drills, and other emergency situations according to location.
19. Exercises care in the operation and use of equipment and reference materials. Maintains work area in an orderly manner.
20. Is responsible for complying with and enforcing all established organizational and department policies and procedures.
21. Ensures confidentiality of employee, legal, budget and company matters. Maintains good communications; establishes and maintains positive working relationships with employees, regulatory agencies, vendors, the public and among the hospital organizations.
22. Performs similar or related duties and required or directed.

KNOWLEDGE, SKILLS AND ABILITIES

Individuals must possess the following knowledge, skills and abilities or be able to explain and demonstrate that the individual can perform the essential functions of the job, with or without reasonable accommodation, using some other combination of skills and abilities and to possess the necessary physical requirements, with or without the aid of mechanical devices to safely perform the essential functions of the job:

1. Ability to bend the body downward and forward by bending spine at the waist. Ability to extend hand(s) and arm(s) in any direction. Ability to stand for sustained periods of time. Ability to move about on foot to accomplish tasks, particularly for long periods of time. Ability to raise objects from a lower to a higher position or moving objects horizontally from position to position.
2. Ability to pick, pinch, type or otherwise work primarily with fingers rather than the whole hand or arm as in handling.
3. Ability to express or exchange ideas by means of the spoken word. Incumbent must convey detailed questions to elicit information from others.
4. Ability to exert up to 10 pounds of force occasionally and or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.
5. The incumbent is subject to both environmental conditions and activities that occur inside and outside.
6. Visual acuity sufficient for work which deals largely with preparing data and figures, accounting, and extensive reading.
7. The ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret

results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category II (No exposure to blood borne pathogens)

PHI ACCESS: Limited

WORK SCHEDULE:

- Generally works Monday through Friday day shift; expectation of evening, night, weekend scheduled or unscheduled requirements; periodic overnight travel for meetings, educational programs, etc.

QUALIFICATIONS:

Education:

- Juris Doctorate Degree required.

Experience:

- Significant previous experience as a senior level executive, and/or counsel for a healthcare organization.

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SIGNATURES:

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Employee Name: _____

Employee Signature: _____ Date: _____

Manager Name: _____

Manager Signature: _____ Date: _____

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**CATHOLIC MEDICAL CENTER HEALTHCARE SYSTEM
JOB DESCRIPTION**



CATHOLIC MEDICAL CENTER HEALTH CARE SYSTEM MISSION STATEMENT:

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.

EFFECTIVE DATE: May, 2015
EXEMPTION STATUS: Exempt
POSITION TITLE: Executive Director of Surgical Services
DEPARTMENT/SERVICE: Surgical Services
REPORTS TO: Senior Vice President Clinical Operations/Chief Nursing Officer

POSITION SUMMARY:

Responsible for planning, directing and managing the provision of the surgical and endoscopy services of the Catholic Medical Center. Strategically plans, develops and maintains the start up of new and existing services. Monitors the overall performance of the surgical services and other areas of responsibility. Maintains relationships with physicians, staff, hospital departments, and other organizations that refer patients to Surgical Services and other departments as assigned.

PRINCIPAL DUTIES AND RESPONSIBILITIES:

Under the direction of the SVP/CNO and within established policies and procedures, the incumbent performs the following functions:

1. Ensures the highest possible level of patient care and maintains the patient care focus of the service and is an advocate and leader in maintaining and promoting customer satisfaction. Develops and maintains positive customer relations in the community, enhancing the reputation of CMC and aiding in its growth.
2. Establishes and maintains a strong delegated authority relationship with management. Obtains a solid understanding of the Hospital's objectives and the confidence of executive management, enabling the incumbent to act quickly and independently in meeting the needs of CMC.
3. Establishes the Surgical Services line and other departments as assigned as a recognized community resource known for provision of excellent health care directly linked with Catholic Medical Center.
4. Develops internal systems, utilizing the resources of the hospital whenever appropriate, to support the operational needs of the organization including finance, planning, marketing, advertising, sales, information systems, accounting, billing, human resources and other support systems.

5. Provides administrative leadership to the Operating Room, PACU, PAT, ASC, Sterile Processing and Endoscopy through the management of all aspects of patient care personnel and budgets to ensure delivery of quality patient care.
6. Monitors the efficiency of all departments to maximize utilization and makes adjustments as necessary.
7. Maintains strong professional relationships with providers. Utilizes sophisticated communication skills when communicating with providers and staff assuring all communication is complete, accurate and timely.
8. Develops and monitors departmental budgets. Ensures the efficient fiscal performance of Surgical Services and other departments as assigned.
9. Ensures that daily operations within all departments of responsibility are in compliance with all laws and guidelines of federal, state and local accrediting agencies and regulators. Implements and interprets all policies, procedures, rules and regulations affecting the operations of all departments of responsibility.
10. Participates in the development of contracts and monitors the contract results.
11. Continually evaluates services and develops new services/businesses as needed.
12. Develops and fosters attitudes which will position the business for both short and long range viability and success.
13. Implements and manages an organizational structure which effectively delivers the required services to the patients served and provides an appropriate structure for the organization's employees.
14. Works collaboratively with all areas of CMC and management to assure quality, diversified and price competitive services which are supported by physicians and medical staffs.
15. Interviews and selects candidates for employment. Orients as appropriate. Outlines scope of authority and job responsibilities of employees under supervision. Initiates personnel actions. Prepares and conducts formal/informal performance evaluations and recommends merit awards for employees under supervision.
16. Develops, implements, and maintains an effective marketing network that supports all aspects of surgical services for CMC.
17. Maintains professional growth and development through seminars, workshops, and professional affiliations to keep abreast of the latest trends in field of expertise.
18. Participates in committee meetings. Attends and serves on professional/civic service organizations as the hospital representative.
19. Participates in appropriate role in disasters, fire drills, fires and other emergency situations.

20. Exercises care in the use and operation of equipment and reference materials. Maintains work area in a clean and organized manner.
21. Performs similar or related duties as requested or directed.
22. Develops productive, influential relationships within the service area with physicians, HMO management, government officials, vendors, and other individuals or representatives of companies necessary to conduct the affairs of and meet the grow objectives of Surgical Services and other departments as assigned.

KNOWLEDGE, SKILLS AND ABILITIES

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1. Ability to designate patient care delivery in a manner that is appropriate to patient's age, physical ability and intellectual development. Must demonstrate proficiency in assessing treatment and responses and adapting care to meet the needs of the patient population served.
2. Physical requirements include the ability to extend hand(s) and arm(s) in any direction; pick, pinch, type or otherwise work primarily with fingers. Essential functions involve sitting most of the time. Walking and standing may be required.
3. Ability to express or exchange ideas by means of the spoken word. Essential functions include activities in which incumbent must convey detailed or important spoken instructions to patients, physicians, families and other employees.
4. Ability to receive detailed information through oral communication and to make fine discriminations in sound.
5. Ability to exert up to 10 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull, or otherwise move objects.
6. Ability to wear safety glasses, gloves, gowns, masks and other safety equipment as necessary.
7. Visual acuity sufficient for work which deals largely with preparing and analyzing data and figures, accounting, transcription, computer terminal work, extensive reading, and visual inspection involving small parts/devices.
8. Ability to endure periods of heavy workload and stress.
9. Ability to work with frequent interruptions and respond appropriately to unexpected situations.
10. Ability to travel to meetings and conferences which are held off-site.

11. The ability to plan and perform complex work which involves new or constantly changing problems where there is little accepted method or procedure. Involves participation in the formulation and carrying out of policies, objectives and programs for major divisions or functions. Considerable ingenuity and exceptional judgment required to deal with factors not easily evaluated, interpret results and make decisions carrying a great deal of responsibility. Direct and coordinate the work of subordinate supervision in order to attain objectives.

OSHA RATING: Category I (Exposure to blood borne pathogens)

PHI ACCESS: Complete

WORK SCHEDULE:

- Generally Monday through Friday, days. Evenings and weekends as necessary.

QUALIFICATIONS:

Education:

- Bachelor of Science Degree required.
- Masters degree in Business Administration or Nursing preferred.

Experience:

- At least five years of management experience in operations, program planning and strategic development for surgical services.
- Demonstrated leadership ability.

Licensure/Certification:

- None

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