

In Re: Termination of Affiliation among Huggins Hospital, Monadnock Community Hospital, and Catholic Medical Center

JOINT NOTICE TO THE DIRECTOR OF CHARITABLE TRUSTS PURSUANT TO NEW HAMPSHIRE RSA 7:19-b

This Joint Notice is submitted to the New Hampshire Attorney General, Director of Charitable Trusts, pursuant to New Hampshire RSA (“*NHRSA*”) 7:19-b(III) by **Huggins Hospital**, a New Hampshire voluntary corporation (“*Huggins*”), and **Monadnock Community Hospital**, a New Hampshire voluntary corporation (“*MCH*”), in connection with their proposed withdrawal from and dissolution of GraniteOne Health, a New Hampshire voluntary corporation (“*GOH*”) (the “*Affiliation Dissolution*”). Consistent with the decision of the Director of Charitable Trusts (the “*Director*”) dated November 3, 2016, taking no action to prohibit the Parties from proceeding with the affiliation subject to certain conditions, GOH was created in December, 2016, as a New Hampshire voluntary corporation, supporting organization to serve as the sole corporate member of Huggins and MCH and as a comember of **Catholic Medical Center**, a New Hampshire voluntary corporation (“*CMC*”) to implement the affiliation of Huggins, MCH and CMC, effective January 1, 2017 (the “*Affiliation*”). (Huggins, MCH and CMC sometimes are referred to singularly as a “*Party*” and collectively as the “*Parties*”). **CMC Healthcare System**, a New Hampshire voluntary corporation (“*CMCHS*”) was prior to the creation of GOH, the sole corporate member of CMC and continued as a comember of CMC together with GOH after the Affiliation. In providing his “no objection” to the Affiliation, the Director noted that the Affiliation did not constitute a change of control of CMC since CMC effectively controlled GOH. Accordingly, while the Affiliation Dissolution also does not result in a change of control for CMC, CMC is joining in this notice to provide information to the Director.

The Parties’ Affiliation Agreement dated June 29, 2016, and the Second Amendment dated as of May 13, 2022 (together the “*Affiliation Agreement*”) are attached as Exhibits I and II. The Affiliation Agreement governs the creation, powers and

operation of GOH, granting GOH reserved powers to ratify certain actions of the Parties and their respective subsidiaries, and to appoint representatives to Huggins' and MCH's Boards of Trustees. GOH's rights do not include any authority to mandate any action by any of the three Parties. The Parties have each decided to invoke their rights under the Affiliation Agreement to withdraw from GOH without cause (see section 13 of the Affiliation Agreement at Exhibit I) and intend to dissolve GOH by agreement.

By letter dated November 3, 2022, the Parties set forth their reasons for how the withdrawals from and dissolution of GOH did not constitute an "acquisition transaction" under RSA 7:19-b. In response, the Director by letter dated November 17, 2022 did not agree and provided the Director's reasoning for how the transaction falls within RSA 7:19-b. While the Parties reserve their right to assert their position in any future proceedings, they are filing this Notice in the spirit of cooperation with the Division of Charitable Trusts and request a no action letter confirming that the Parties will not be prohibited by the Division of Charitable Trusts from proceeding with their withdrawals from and dissolution of GOH.

A. PARTIES TO THE AFFILIATION (NH RSA 7:19-b(III))

1. Huggins Hospital.

Huggins is a charitable organization established by statute in 1907 and operates an acute care, twenty-five (25) bed, Critical Access Hospital ("CAH") located in Wolfeboro, New Hampshire. Huggins focuses on primary care and secondary acute care services, as limited by federal regulations, and provides inpatient, outpatient, emergency care, ambulatory care, primary care and some specialty care services. Huggins serves the region's year-round population of approximately thirty thousand (30,000) residents and approximately one hundred twenty thousand (120,000) seasonal residents in the communities of Alton, Brookfield, Effingham, Freedom, Madison, Moultonborough, New Durham, Ossipee, Sanbornville, Sandwich, Tamworth, Tuftonboro, Wolfeboro and surrounding towns.

Huggins is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and is a public charity under section 509(a) of the Code. It is currently governed by a Board of Trustees composed of a minimum of eight (8) and a maximum of eighteen (18) trustees from three categories: (i) one quarter (1/4) of the total appointed by GOH, subject to the Trustee Criteria set forth in an exhibit to the Bylaws (ii) the presidents of Huggins and the Huggins Medical Staff, and (iii) the remaining trustees nominated and appointed by the sitting Board of Trustees, with GOH having the right to object to an individual nominee based on the Trustee Criteria. The current Huggins Articles of Agreement, Bylaws and annual consolidated financial statements for the year ended September 30, 2022 are attached as Appendices A-1, A-2 and A-3, respectively.

2. Monadnock Community Hospital.

MCH is a charitable organization formed in 1919 as The Peterborough Hospital and operates a twenty-five (25) bed, acute care CAH in Peterborough, New Hampshire providing inpatient, outpatient, emergency, ambulatory and certain specialty care services. Like Huggins, its services are limited by federal regulations applicable to CAHs. MCH also owns and operates a network of professional offices in Peterborough, and surrounding towns where physicians and other healthcare professionals provide a wide range of primary and behavioral health care services for people in the area. In addition to Peterborough, MCH’s primary service area also includes the towns of Antrim, Bennington, Dublin, Frankestown, Greenfield, Greenville, Hancock, Jaffrey, New Ipswich, Rindge, Sharon and Temple. The MCH service area has a total population of approximately forty thousand (40,000) people.

MCH is exempt from federal income taxation under section 501(c)(3), and is a public charity under section 509(a) of the Code. It is currently governed by a Board of Trustees composed of five (5) ex officio trustees with voting rights and thirteen (13) elected trustees (the Bylaws provide for nine (9) to sixteen (16) elected trustees). One quarter of the elected trustees are nominated and elected by GOH. The remaining elected trustees are nominated and elected by the sitting Board of Trustees, subject to

certain rights of GOH to object to a nominee for specified reasons. The current MCH Articles of Agreement, Bylaws and annual financial statements for the year ended September 30, 2022 are attached as Appendices A-4, A-5 and A-6, respectively.

3. Catholic Medical Center.

CMC is a charitable acute care three hundred thirty (330) bed full-service community hospital that currently staffs approximately two hundred sixty-five (265) beds. CMC provides full medical and surgical care with extensive subspecialties, inpatient and outpatient rehabilitation services, a 24-hour emergency department, outpatient behavioral health services, diagnostic imaging and the nationally ranked New England Heart and Vascular Institute. CMC also serves as a patient transfer center for other hospitals throughout the State. The CMC primary service area includes the towns and cities of Auburn, Bedford, Candia, Deerfield, Goffstown, Hooksett, Londonderry, Manchester and New Boston.

CMC is exempt from taxation pursuant to section 501(c)(3) of the Code and is a public charity pursuant to section 509(a) of the Code. Being a Catholic affiliated healthcare system, CMC (and its ten (10) subsidiaries) are subsidiaries of CMCHS. CMCHS was established to be the public juridic person of diocesan right of the Roman Catholic Bishop of the Diocese of Manchester (the "*Bishop*"), meaning CMCHS is the corporate mechanism by which the Bishop oversees CMC to ensure its implementation of, and compliance with, the Ethical and Religious Directives for Catholic Health Care Services of the United States Conference of Catholic Bishops (the "*ERDs*"), the Code of Canon Law of the Roman Catholic Church and adherence to Catholic moral teaching. CMC is exempt from federal income taxes through its inclusion in The Official Catholic Directory and IRS Group Ruling held by the Diocese of Manchester. The current CMC Articles of Agreement, Bylaws and annual consolidated financial statements for the year ended September 30, 2022 are attached as Appendices A-7, A-8 and A-9, respectively. The CMCHS Articles of Agreement and Bylaws are attached as Appendices A-10 and A-11.

4. GraniteOne Health.

GOH is a New Hampshire voluntary corporation that is a community-based network of three New Hampshire hospitals: Huggins, MCH and CMC. MCH and Huggins formed GOH in December, 2016; and CMC joined the system shortly thereafter. GOH is the sole corporate member of MCH and Huggins, and the co-member, along with CMCHS, of CMC. GOH was formed to establish and oversee system-wide strategy and integrate activities of the three hospital members. GOH is exempt from federal income taxation under section 501(c)(3), and is a supporting organization pursuant to section 509(a)(3) of the Code. The current Articles of Agreement, Bylaws and annual reviewed financial statements for the year ended September 30, 2022 are attached as Appendices A-12, A-13 and A-14, respectively.

**B. DECISIONS TO WITHDRAW FROM GOH; DUE DILIGENCE
(NH RSA 7:19-b(II), (III))**

The following outlines how each of the Parties to the Affiliation determined in good faith and consistent with their trustees' fiduciary duties that it was in the best interests of each of them and of the communities they serve to withdraw from and amicably dissolve GOH. The Parties have mutually and amicably agreed to withdraw from and dissolve GOH for a number of shared circumstances, all of which informed each of their Boards' deliberations. It is in the best interest of the hospitals and consistent with each of the Board's duties of loyalty, due care and obedience to their respective charitable missions because they have determined that the solutions to these issues are likely to be different for each hospital and that GOH is unlikely to meet these needs.

1. The Challenges and Consequences of the COVID-19 Pandemic have affected the Finances and Operations of the Parties.

The country's non-profit healthcare industry is in crisis. See Fitch Industry Outlook Report at Appendix B-1. The COVID-19 pandemic has challenged, and continues to challenge the Parties. Although the federal and state governments have provided substantial relief to the Parties, there has been damage to the financial health

of all of them. The Parties' operating margins (without CARES Act funds and one-time adjustments for Huggins and MCH) are below pre-pandemic levels, driven in large part by the massive growth in expenses. Significant increases in staffing costs fueled in part by the continued healthcare work force shortage pose a serious threat to the Parties, affecting institutions in all areas and at all levels. Recruiting is challenging everywhere, particularly in rural areas all over the country. The looser structure of the system ensured that during the height of the pandemic and afterwards, each of the hospitals was able to focus its available capital on the communities that it serves to directly benefit those communities, and in so doing, each of the hospitals came to the realization that, without the availability of excess capital from each of the hospitals to pursue system-wide investments, the originally envisioned goals of the system could not reasonably be achieved. Furthermore, each of the hospitals realized that its respective communities' needs and priorities, which were quickly evolving as a result of the pandemic and the different challenges that each of the hospitals faced, would be better served by being able to react with greater flexibility and promptness and without the additional administrative hurdles of being a part of the system.

2. GOH Resources are Limited which has Limited Initiatives and Benefits of GOH.

Even prior to the formation of GOH, the Parties were facing challenging trends of rising labor costs, a shifting payor mix to the lower paying reimbursement structure of Medicare, high technology costs and expanding government and regulatory mandates eroding operating margins and requiring significant capital investments. By the third year of GOH, these trends contributed to operating losses. GOH did not have additional resources available to invest in system initiatives.

3. The State's Objection to the Proposed Combination of GOH with Dartmouth Health Derailed GOH Plans to Increase Integration and Pursue System-wide Initiatives.

Beginning in 2018, GOH entered into discussions with Dartmouth Health (formerly Dartmouth-Hitchcock Health) in an effort to find an academic health care

partner (the “DH-GOH Combination”). In September 2019, GOH and Dartmouth Health executed a non-binding letter of intent to combine GOH with and into Dartmouth Health. The effort to negotiate and document the terms, conduct due diligence, develop integration plans and prepare for and undertake the regulatory review of the combination consumed an enormous amount of expense and personnel time at all levels of the institutions. The Parties’ best intentions to pursue the goals of the GOH Affiliation for the benefit of each Party and its service area were impacted by the allocation of resources devoted to the proposed DH-GOH Combination. It also made little sense to the Parties to invest time and money in initiatives that ran the risk of changing shortly after closing on the DH-GOH Combination, particularly with limited resources. Antitrust laws prevented the Parties from pursuing any future initiatives with a potential combination partner besides planning activities. Thus efforts were focused on planning, but practically speaking put the Parties in limbo for years. The State’s objection to the proposed DH-GOH Combination in May 2022 caused each of the Parties to stop and reassess the benefits of remaining part of GOH.

4. Process of Unwinding Will Result in No Impact on Community Needs and Benefit.

The Parties deliberately structured the system to have limited financial, operational and clinical integration. At the time that the Parties were negotiating the Affiliation, this structure was deemed to be in the best interests of each of the Party’s Board of Trustees because it allowed for continued local autonomy with the prospect of shared resources. Each Party was able to ensure that the needs of each of its communities would continue to be prioritized, while also being able to benefit from additional expertise on their Boards and access to resources that would become available for system-wide initiatives. After the Affiliation, the Parties each retained control of all of their assets, including their endowments, all other accounts and real estate. See section 2.5, 3.8 and 5 of the Affiliation Agreement at Exhibit I. Each Party’s Board retained essentially all of its authority to oversee the services, planning, finances and all other generally recognized roles of a charitable hospital board. See sections 1.4,

3.8 and 3.9 of the Affiliation Agreement at Exhibit I. The debt of each Party remained separate from the system and the other Parties. See sections 3.8, 5 and 32 of the Affiliation Agreement at Exhibit I. As a result, the unwinding and dissolution of the system will be a simple process, and the Parties' community needs and benefits will not be impacted by the withdrawal from and dissolution of GOH. Each of the Parties has maintained and will continue to maintain separate community needs assessments and separate programming to address community needs. As discussed above, system-wide initiatives were never implemented that would be affected by the withdrawal from and dissolution of GOH.

The Affiliation Agreement gave each Party the right to withdraw from GOH without cause during the six (6) month period beginning two (2) years after the creation of GOH. See Affiliation Agreement, section 13 at Exhibit I. Since this six (6) month period occurred when the Parties were occupied with the negotiation and regulatory proceedings related to the DH-GOH Combination, they agreed on two occasions to extend the deadline to exercise this right. The second amendment set the deadline to give notice of withdrawal as November 13, 2022. Thus, each Party had an independent right to withdraw from GOH and spent the six (6) months between the state's objection of the DH-GOH Combination in May and the November deadline considering whether it was in its best interests to exercise its right to withdraw. The Boards of all three of the Parties voted at their separate meetings on October 26 and 27, 2022 to withdraw from GOH without cause and to approve the future dissolution of GOH by agreement subject to conducting a session for community comment on this decision and a final vote following consideration of any public comments.

In reaching their individual decisions to withdraw, each Party recognized that the process of withdrawal and dissolution of GOH will be relatively simple. GOH is the sole member of Huggins and MCH and a co-member of CMC; but its impact on each Party during the nearly seven years of its existence has been limited, because the Affiliation Agreement intentionally limited its authority over the Parties. GOH never acquired any capital assets of its own or had any control over the assets of any of the

Parties. Moreover, GOH never incurred any debt. No Party assumed any responsibility for the debt of any other Party. GOH staffing needs have been met by CMC; and its operating costs, primarily for CMC staff time, have been paid by assessments against each Party. Thus, the only financial effect of dissolution will be a final reconciliation of operating expenses and assessments to each Party. A variety of contracts for services between or among the Parties, many of which were in effect prior to the creation of GOH, will continue. Amendments to the Parties' corporate organizational documents to remove references to GOH or its powers will be relatively simple. Only one member of the Huggins and MCH boards (the interim CEO of GOH) will resign. The other members nominated by GOH have brought value to each hospital and are expected to remain.

The following subsections summarize the more specific process that each Board engaged in to evaluate its individual interests and considerations to withdraw from GOH.

Huggins Hospital.

Shortly after the state objection to the DH-GOH Combination, Huggins retained the national health care consulting firm, Stroudwater Associates ("*Stroudwater*") to evaluate the hospital's strengths and weaknesses, to assist in strategic planning about remaining a part of GOH and to consider other strategic options. Stroudwater was familiar with Huggins and GOH, because beginning in 2009, it had advised Huggins in its consideration of strategic options and potential affiliations that resulted in Huggins entering into a 2015 letter of intent to pursue an affiliation with CMC and the subsequent creation of GOH.

In the current engagement, Stroudwater (i) reviewed the financial performance of Huggins, CMC and GOH; (ii) interviewed senior managers of Huggins and CMC, Huggins medical staff members, Huggins board members and the GOH board chairperson; (iii) investigated Huggins' clinical offerings and quality; and (iv) examined the status of the initial seventeen objectives and initiatives that GOH intended to accomplish. It reported its findings and analysis in a presentation to the Huggins Board

on August 25, 2022, which posed questions for the Board to consider in deciding whether to remain part of GOH or to withdraw. See Confidential Appendix B-2. Specifically, the Huggins Board discussed that any decision should address whether Huggins could expect assistance with meeting its needs for electronic medical records enhancement, for provider recruitment and for access to specialty services. In reaching a decision about whether to remain a part of GOH or withdraw, the Board understood that as a CAH, Huggins can offer any partner significant opportunities for better reimbursement by allocating expenses and moving patients to more appropriate care settings.

The Huggins Board discussed and asked questions about the Stroudwater report at its August 25 meeting and had further discussions at its September meeting. The Board voted unanimously at its October 27 meeting to withdraw without cause from GOH and to approve a cooperative effort by all Parties to dissolve GOH. See Appendix B-3 (Secretary Certificate with resolutions attached). Prior to the October meetings of the three Parties' Boards, the Parties' CEOs had shared with each other their expectations that their Boards would vote to withdraw and dissolve. Thus, when it voted, the Huggins Board understood that the other Parties would or had voted to withdraw from GOH, and the dissolution of GOH would be cooperative and amicable. The Huggins Board concluded that it is in the best interests of Huggins and the community it serves to return to its independent status and retain the benefits of the clinical and services arrangements it has had with CMC by specific contracts rather than the continuation of GOH. The Board determined that Huggins' ability to serve the community with respect to community benefits and the quality and scope of clinical services would not be adversely affected as a result of the withdrawal and dissolution of GOH. In taking this vote, the Huggins Board recognized that it was not a final decision but the first step in a process that would include public notice and an opportunity to comment, regulatory consideration, review and possible revision of contracts and arrangements, revision of corporate organizational documents and development and approval of a plan of dissolution of GOH.

Monadnock Community Hospital.

Shortly after the state's objection to the DH-GOH Combination in May 2022, the MCH executive management team in conjunction with the MCH Board Executive Committee began to develop a list of pros and cons to the question of whether to remain part of GOH. The effort recognized that a decision had to be made no later than November 13, 2022, in order to withdraw without cause pursuant to the Affiliation Agreement. The group organized its evaluation first around the "Statement of Purpose and Mutual Vision" that was Section 1 of the Affiliation Agreement. The second part of the evaluation considered the Integration Plan which GOH had developed early in its existence. The final version of what was entitled, "Stay in GOH - Pros and Cons" (the "*Pros and Cons*"), and continued to be organized around the "Statement of Purpose and Mutual Vision," which consisted of eight subsections each identifying a different item of the purpose or vision the Parties had for GOH before it was created. Pros and Cons described what had been accomplished under each subsection, what was possible or unlikely to be done in the future, what had been accomplished before GOH existed, and what was possible to be done or maintained if GOH was dissolved. See Confidential Appendix B-4. The Pros and Cons document was used to organize the Board's deliberations.

MCH also retained for advice Forvis, LLP, an outside accounting and consulting firm with expertise in healthcare. Forvis is the successor to BKD, LLP, which had assisted MCH in its strategic planning and decision making in becoming part of GOH, and thus it already had extensive background knowledge of MCH and the New Hampshire healthcare marketplace. Forvis reviewed the Pros and Cons, met with MCH leaders and staff and attended Board meetings.

By August, both the MCH executive management team and the Board Executive Committee concluded that it was in the best interest of MCH and the community it serves to withdraw from GOH. This recommendation, together with the Pros and Cons, were presented to the MCH Board at its August meeting and discussed. This recommendation and the process MCH followed were later summarized in a four-page

document by the MCH CEO that was distributed to the Board to inform its further deliberations and is attached to the Pros and Cons as part of that confidential Appendix B-4. Forvis consultants and the hospital's counsel were present to answer questions. Further discussion occurred at the Board's September meeting. At the October meeting, the Board voted unanimously that it is in the best interest of MCH and the patients in the community it serves to withdraw from and dissolve GOH. See Appendix B-5 (Secretary Certificate with resolutions attached). The Board determined that MCH's ability to serve the community with respect to community benefits and the quality and scope of clinical services would not be adversely affected as a result of the withdrawal and dissolution of GOH. There was consensus that GOH was unlikely to accomplish a number of the goals and initiatives that had been set in the Affiliation Agreement particularly in light of the current operational, financial and staffing challenges exacerbated by the COVID-19 pandemic, but that the most significant benefits of the Affiliation could be preserved in contracts or arrangements that existed among the Parties. Like the Huggins Board, the MCH Board recognized that this vote was not a final decision but the first step in a process that would include public notice and an opportunity for the public to comment, regulatory consideration, review and possible revision of contracts and arrangements, revision of corporate organizational documents and development and approval of a plan of dissolution of GOH.

Catholic Medical Center.

Like Huggins and MCH, shortly after the state's objection to the DH-GOH Combination, CMC began a process of assessing its needs, its continued participation in GOH and how it will meet strategic needs going forward. CMC retained the national healthcare consulting firm The Chartis Group to help facilitate and perform its assessments. The Chartis Group had been jointly retained by Dartmouth Health and GOH to facilitate the DH-GOH Combination and in doing so, learned a tremendous amount about CMC's challenges, opportunities, operations, financial circumstances and its expansion plans and infrastructure needs. In June 2022, The Chartis Group

facilitated a work session with CMC's senior leadership focusing on identification and articulation of challenges facing the hospital, what CMC should look like in the future, a partnership selection and evaluation process and CMC's continued participation in GOH. The Chartis Group then assisted with a summer long effort with the strategic planning committee of the Board of Trustees to assess the same with multiple meetings in July and August. On September 19, 2022, The Chartis Group led a discussion with the full Board of Trustees at the Board's annual strategic retreat. It was also reported to the Board at this time that both MCH and Huggins were likely to vote to withdraw from GOH. While benefits to remaining in GOH were identified and discussed, the Board was in agreement that the substantive clinical benefits can remain intact by continuing the contractual relationships in place with MCH and Huggins, most of which were in place before the formation of GOH. There was also a consensus that while CMC, MCH and Huggins will continue to work together, in the light of the challenges facing the healthcare industry and the Parties in particular, a loosely affiliated system like GOH will not be able to deliver the kind of solutions and improve the Parties' ability to meet the capital needs of each hospital member. See Confidential Appendix B-6 (Pertinent Slides of Strategic Discussion). In October, the Board voted unanimously that based on current and projected financial and other considerations, it is in the best interest of CMC and the patients in the community it serves to approve the intent to withdraw from GOH and to cooperate with the amicable dissolution of GOH, and the Board instructed the President and CEO to provide the requested notice. See Appendix B-7 (Secretary Certificate with resolutions attached). Since CMC is not a party to this Notice, the vote of its Board is not subject to the requirement to have a listening session or consideration of public comment prior to its vote.

C. PUBLIC NOTICE AND COMMUNITY INPUT (NH RSA 7:19-b(II)(g))

NHRSA 7:19-b(II)(g) requires "reasonable public notice" of a proposed "acquisition transaction" and an opportunity for the community to comment on the proposed transaction in order to inform the deliberations of the governing body of the

health care charitable trust regarding the proposed transaction. On May 25, 2023, MCH and Huggins gave public notice of the proposed dissolution of GOH and the date set for a virtual public listening session about the proposed dissolution of GOH. The statutorily required public notice was published (i) on May 25, 2023 and June 1, 2023, in the Granite State News, which is a local weekly newspaper distributed in the communities served by Huggins, and (ii) on May 25, 2023, May 30, 2023, June 1, 2023 and June 8, 2023, in the Monadnock Ledger Transcript, which is a local bi-weekly newspaper distributed in the communities served by MCH. The proposed dissolution documents and the draft of the proposed Joint Notice to the Director of Charitable Trusts Pursuant to RSA 7:19-b, which includes an analysis of how the withdrawal and dissolution will meet the communities' need for access to quality and affordable physical and mental health care services, were each made available on the GOH website, with links thereto provided on the MCH and Huggins websites.

In addition to the foregoing, prior to the public notice described above, on December 7, 2022, all of the Parties held meetings of their senior staff and sent emails to all employees and medical staff members informing them of the proposed dissolution. The Parties also posted an initial public notice of the proposed dissolution on their websites at the following links:

[News | Catholic Medical Center](#)

[Hospital Boards Vote on Future of Granite One Health
\(monadnockcommunityhospital.com\)](#)

[Huggins Hospital Boards Vote on Future of GraniteOne Health](#)

In fulfillment of the requirements of the statute, the Parties held on June 12, 2023 at 4:00p.m., a joint virtual public hearing via Zoom prior to filing this Notice with the Director to allow for an opportunity for public comment for the purpose of informing the deliberations of each of the Boards of the hospitals regarding the proposed transaction prior to such Boards making their final decision to withdraw from and dissolve GOH. The public posed three questions during the Zoom call asking how

long the process would take, whether there would be changes in accepted insurance and if CMC would continue to travel to Wolfeboro. The answers given were that the State would have 180 days after submission of the notice to decide if it had objections, existing arrangements with insurers would be unaffected, and CMC cardiologists would continue to visit Huggins. As of the date of this Notice, no questions were received outside the Zoom session.

D. MATERIAL TERMS OF AFFILIATION DISSOLUTION (NH RSA 7:19-b(III))

The terms of the Affiliation Dissolution are simple and governed by section 13 of the Affiliation Agreement. All three Parties will be returned to their governance structures that existed on December 30, 2016. As noted above, none of the Parties' assets were transferred or encumbered by the Affiliation, no Party assumed any liability for any other Party's debt, and no Party received any financial support from GOH or any other Party. GOH acquired no assets, incurred no debt and never had any employees. The only documentation necessary to restore the Parties' governance structures is the termination of the Affiliation Agreement by mutual consent and amendment by votes of the Boards of each Party and of the GOH Board to amend each Party's articles of agreement and bylaws to remove all references (i) to GOH being a member of the Party, (ii) to GOH reserved powers and (iii) to GOH board representatives. The Parties will negotiate the final assessments to pay for staffing CMC provided to GOH and will review contractual and other arrangements to assure the continuation of relationships that two or more Parties believe are beneficial and consistent with their long history of cooperation for the benefit of their communities. Finally, the Parties will adopt a plan of dissolution of GOH including the filing of the Articles of Dissolution. See Draft Dissolution Documents at Appendix C-1.

E. REMAINING STATUTORY REQUIREMENTS FOR NOTICE UNDER RSA 7:19-B(III)

1. The Affiliation Dissolution is Permitted by Law. (NH RSA 7:19-b(II)(a))

Upon advice of counsel, the Parties have determined that the Affiliation Dissolution is permitted by applicable law. The Parties do not believe the proposed dissolution of a system parent organization, the creation of which six years ago did not violate antitrust laws, implicates antitrust laws in any way.

2. Conflicts of Interest. (NH RSA 7:19-b(II)(c))

No member of the Board of Trustees of any Party has engaged in any “pecuniary benefit transaction” as defined in New Hampshire RSA Chapter 7 that in any way affects or is affected by the Affiliation Dissolution or its approval, and no conflict of interest was disclosed or affected the decision of the applicable Party to engage in the Affiliation Dissolution. GOH Interim CEO, Alexander J. Walker, who also serves as President and CEO of CMC, recused himself from the MCH and Huggins Board processes to assess their future participation in GOH and also recused himself from the respective votes of the MCH and Huggins Boards regarding the same. See Appendix B-5 (Secretary Certificate with resolutions attached) and Appendix B-7 (Secretary Certificate with resolutions attached).

3. Transaction Proceeds; No Out of State Entity. (NH RSA 7:19-b(II)(f))

The proposed Affiliation Dissolution does not involve the payment of any purchase price or exchange of consideration among the Parties or any other person, and the Affiliation Dissolution will not result in any for-profit entity or person outside the State of New Hampshire controlling any Party or GOH.

4. Ownership of Assets; Devotion of Assets to Charitable Purpose.

The withdrawal from and dissolution of GOH will not impact any Party’s assets, mission or charitable purposes. The Affiliation did not involve any merger or consolidation of the Parties’ assets, properties, investments, revenues or liabilities. Each of Huggins and MCH maintained separate legal identities without liability for each other’s or CMC’s obligations and each remained responsible for its respective operations and assets. The restricted funds of each of Huggins and MCH remained under the control of Huggins and MCH and continued, and will continue, to be

dedicated to each hospital's service area. Restricted assets will remain subject to donor restrictions and requirements.

5. Changes in Management Structure.

The proposed Affiliation Dissolution does not contemplate any change in the personnel of any Party, either at the Board level (except for the resignation from the Huggins and MCH boards of the GOH chief executive officer), the management level or the employee level. The Affiliation Dissolution also will not affect any Party's Medical Staff, the credentialing and privileging of which remains the sole responsibility of each Party.

6. Community Needs Assessments.

Attached as Appendices E-1, E-2 and E-3 are the most recent community needs assessments conducted by each of the Parties. Each of the Parties respective Community Benefits Reports are available on their respective websites:

<https://www.hugginshospital.org/about/community-benefits>

<https://monadnockcommunityhospital.com/about-us/community-health-needs-and-benefits/>

<https://www.catholicmedicalcenter.org/about-cmc/in-the-community/community-benefits-report>

7. Statements of CMCHS, CMC, MCH and Huggins.

As required by New Hampshire RSA 7:19-b(III), below are statements of CMCHS, CMC, MCH and Huggins specifying the manner in which it proposes to ensure that the Parties will continue to fulfill the charitable objects of the Parties.

CMC Healthcare System.

Pursuant to the provisions of RSA 7:19-b (III), CMCHS, as the public juridic person of CMC charged with, among other things, oversight of CMC's Catholic healthcare ministry and adherence to the Ethical and Religious Directives for Catholic Health Care Services, Canon Law and the Catholic teachings, hereby states that after the dissolution

of GOH, under the direction and supervision of its Board of Governors, CMCHS shall ensure CMC's continued fulfillment of its charitable objects by operating and using its assets to further its adopted mission, values and vision which are:

Our 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.

Our Values

The defining characteristics of CMC include: Respect, Integrity, Compassion and Commitment.

Our 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.

Catholic Medical Center.

Pursuant to the provisions of RSA 7:19-b (III), CMC hereby states that after the dissolution of GOH, under the direction and supervision of its Board of Trustees, CMC intends to continue to fulfill its charitable objects by operating and using its assets to further its adopted mission, values and vision which are:

Our 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.

Our Values

The defining characteristics of CMC include: Respect, Integrity, Compassion and Commitment.

Our 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.

Monadnock Community Hospital.

Pursuant to the provisions of RSA 7:19-b (III), MCH hereby states that after the dissolution of GOH, under the direction and supervision of its Board of Trustees, MCH intends to continue to fulfill its charitable objects by operating and using its assets to further its adopted mission, vision and values which are:

Our Mission

We are committed to improving the health and well-being of our community.

Our Vision

We will elevate the health of our community by providing accessible, high quality and value based care.

Our Values

Compassion Collaboration Honesty Respect.

Huggins Hospital.

Pursuant to the provisions of RSA 7:19-b (III), Huggins hereby states that after the dissolution of GOH, under the direction and supervision of its Board of Trustees, Huggins intends to continue to fulfill its charitable objects by operating and using its assets to further its adopted mission and vision which are:

Our Mission

To empower the fulfillment of life through better health.

Our Vision

Huggins will be the community's home for health and wellbeing.

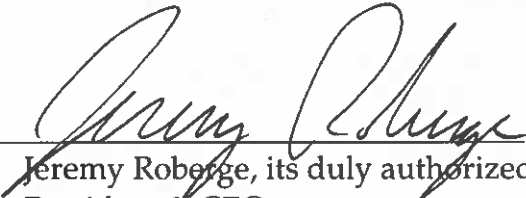
8. Trustee Certifications.

Attached as Appendices E-4 and E-5 are the certifications of the Trustees of Huggins and MCH affirming that the standards set forth in New Hampshire RSA 7:19-b(II) have been met.

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Respectfully submitted by the duly-authorized representatives of the undersigned this day of June 16, 2023.

HUGGINS HOSPITAL ("*Huggins*")

By: 
Jeremy Roberge, its duly authorized
President & CEO

MONADNOCK COMMUNITY HOSPITAL ("*MCH*")

By: _____
Cynthia McGuire, its duly authorized
President & CEO

CATHOLIC MEDICAL CENTER ("*CMC*")

By: _____
Alexander J. Walker, its duly authorized
President & CEO

CMC HEALTHCARE SYSTEM ("*CMCHS*")

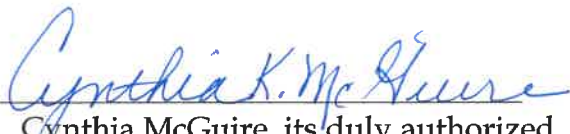
By: _____
Alexander J. Walker, its duly authorized
President & CEO

Respectfully submitted by the duly-authorized representatives of the undersigned this day of June 16, 2023.

HUGGINS HOSPITAL ("*Huggins*")

By: _____
Jeremy Roberge, its duly authorized
President & CEO

MONADNOCK COMMUNITY HOSPITAL ("*MCH*")

By: 
Cynthia McGuire, its duly authorized
President & CEO

CATHOLIC MEDICAL CENTER ("*CMC*")

By: _____
Alexander J. Walker, its duly authorized
President & CEO

CMC HEALTHCARE SYSTEM ("*CMCHS*")

By: _____
Alexander J. Walker, its duly authorized
President & CEO

Respectfully submitted by the duly-authorized representatives of the undersigned this day of June 16, 2023.


HUGGINS HOSPITAL ("*Huggins*")

By: _____
Jeremy Roberge, its duly authorized
President & CEO


MONADNOCK COMMUNITY HOSPITAL ("*MCH*")

By: _____
Cynthia McGuire, its duly authorized
President & CEO

CATHOLIC MEDICAL CENTER ("*CMC*")

By:  _____
Alexander J. Walker, its duly authorized
President & CEO

CMC HEALTHCARE SYSTEM ("*CMCHS*")

By:  _____
Alexander J. Walker, its duly authorized
President & CEO

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Exhibit I

Affiliation Agreement dated June 29, 2016

Exhibit II

Second Amendment to Affiliation Agreement made effective May 13, 2022

Appendix A-1

Huggins Hospital Incorporating Statute

Appendix A-2

Huggins Hospital Bylaws, Amended and Restated

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CONFIDENTIAL Stroudwater Report

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Secretary Certificate of resolutions adopted at a Meeting of the Huggins
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Draft Articles of Dissolution and Plan of Dissolution

Appendix E-1

Huggins Hospital Community Needs Assessment Report

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Monadnock Community Hospital Community Needs Assessment Report,
2021 - 2024

Appendix E-3

Catholic Medical Center Community Needs Assessment Report

Appendix E-4

Huggins Trustee Certification re NH RSA 7:19-b(II) Standards

Appendix E-5

MCH Trustee Certification re NH RSA 7:19-b(II) Standards