

# SHEEHAN PHINNEY

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Reply to: Manchester Office  
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July 23, 2021

VIA FIRST-CLASS &  
ELECTRONIC MAIL

Diane Quinlan  
Assistant Director of Charitable Trusts  
Department of Justice  
33 Capitol Street  
Concord, NH 03301  
[diane.m.quinlan@doj.nh.gov](mailto:diane.m.quinlan@doj.nh.gov)

**Re: *Notice of Proposed Merger Transaction Between Indian Stream Health Center, Inc. and Upper Connecticut Valley Hospital***

Dear Assistant Director Quinlan:

Thank you for your letter of July 9, 2021 in which you requested certain additional information and materials in connection with the Change of Control Notice filed under RSA 7:19-b (the "Notice") by Indian Stream Health Center ("ISHC") in connection with its proposed merger into Upper Connecticut Valley Hospital ("UCVH"). This letter contains the parties' responses to your requests and the responses follow each specific request of your July 9 letter. The parties reserve the right to supplement these responses if additional information becomes available after their submission. Capitalized terms used but not defined below will have the same meaning ascribed to them in the Notice or the Agreement and Plan of Merger.

Counsel for UCVH have reviewed the responses particular to UCVH and certify, to the best of their belief, by signature below the veracity of such responses.

## Board Due Diligence

1. To the extent that they have not previously been provided, provide minutes of meetings of the ISHC board of trustees and the Rural Health Clinic ("RHC") Work Group established by the ISHC and UCVH boards related to discussions about the possibility of entering into an affiliation, merger, acquisition, and/or combination transaction with UCVH, Mid-State Health Center, and any other hospitals, FQHCs, or health care systems.

**ANSWER**

*Please see Responses to Request 1. Please note that the Responses are in three separate parts (I, II, and III).*

2. To the extent that they have not previously been provided, provide copies of any written proposals, presentations, or letters submitted to the ISHC board or its chair by Mid-State Health Center, Coos County Family Health Services, and any other FQHCs regarding a potential affiliation, merger, acquisition, and/or combination transaction.

**ANSWER**

*Please see responses to Request 2.*

3. Provide copies of any financial forecasts and consultant reports considered by the Board in connection with the consideration of an affiliation, merger, acquisition, and/or combination transaction with UCVH, other FQHCs, and/or other hospitals or health care systems and in connection with consideration of a potential transition to an RHC that have not previously been provided. Include any reports and presentations prepared by Stroudwater Associates.

**ANSWER**

*Please see new Appendix T, "RHC Executive Committee Presentation" delivered to the ISHC and UCVH RHC Work Group on January 20, 2021 (set forth in Part II to Request 1). In addition, please refer to Appendices K, L, and M-1 in which the RHC Work Group and ISHC Board of Directors reviewed the potential transition to an RHC. These "side-by-sides" were incorporated in the presentation delivered to the ISHC Board of Directors on February 3, 2021; they are provided in response to Request 4, below.*

4. Provide the final forms of the "side-by-side" comparisons developed by the RHC Work Group with respect to the sliding scale/charity care policies, care coordination and outreach, behavioral health services, and pharmacy programs.

**ANSWER**

*New Appendix T, "RHC Executive Committee Presentation" delivered to the ISHC and UCVH RHC Work Group on January 20, 2021 included "side-by-side" comparisons with respect to the sliding scale/charity care policies, care coordination and*

*outreach, and behavioral health services as well as a description of ISHC's current sliding scale pharmacy program. Appendix L, "ISHC- RHC Work Group Executive Committee" delivered to the ISHC Board of Directors at its February 3, 2021 meeting, includes a description of the proposed NCH pharmacy financial assistance program. Attached as a supplement are additional materials with side-by-side comparisons presented to the RHC Work Group on December 3, 2020.*

5. Appendix R contains an unsigned and undated RSA 7:19-b (II) Standards Certification. Assuming that the certification was signed and completed, provide the fully executed version.

**ANSWER**

*We note that at present the ISHC Board of Directors' RSA 7:19-b (II) Standards Certification is available online at <https://www.doj.nh.gov/charitable-trusts/documents/03-ishc-board-cert.pdf> (last visited July 22, 2021). If a hard copy of this document is desired ISHC will provide one.*

6. Explain whether ISHC received from any of its directors a disclosure that the negotiation or execution of the proposed transaction will result in a direct or indirect pecuniary benefit pursuant to RSA 7:19-a and state whether any of ISHC board members are directors or employees (or family members of directors or employees) of UCVH.

**ANSWER**

*ISHC has not received from any of its directors a disclosure of a direct or indirect pecuniary benefit from the Merger pursuant to RSA 7:19-a. At this time, no ISHC Board members are directors or employees of UCVH.*

7. ISHC's 2019 Form 990 lists Scott Colby as a member of its board of directors. Please provide Mr. Colby's dates of service as an officer or director of ISHC.

**ANSWER**

*Mr. Colby was approved as an ISHC Director on March 27, 2019 until September 1, 2020. The last meeting during his term of service was on August 26, 2020.*

*Attached as new Appendices U and V are the ISHC Board Meeting Minutes from March 27, 2019, appointing Scott Colby to the ISHC Board of Directors and the First Amendment to Community Benefit Grant Award Agreement, which removed the cross-*

*governance obligation effective September 1, 2020, thereby ending Mr. Colby's service on the ISHC Board as of that date.*

Healthcare Services and Charity Care Policy

8. Provide a side-by-side comparison of ISHC's current sliding scale program with the charity care program described under paragraph 8 (b) of the Agreement and Plan of Merger.

**ANSWER**

*A side-by-side comparison of ISHC's current sliding scale program with the proposed charity care program is set forth in the presentation titled "ISHC-UCVH RHC Executive Committee Presentation" at new Appendix T to the Notice, on slides 13 and 14 (set forth in Part II of the responses to Request 1).*

9. Provide a side-by-side comparison of ISHC's current sliding scale pharmacy program with the pharmacy program described under paragraph 8 (d) of the Agreement and Plan of Merger, including, but not limited to, the eligibility criteria, the discounts to be offered, and the per prescription dispensing fees.

**ANSWER**

*A description of ISHC's current sliding scale pharmacy program is included in the presentation titled "ISHC-UCVH RHC Executive Committee Presentation" at new Appendix T to the Notice, on slides 19 and 20 (as set forth in Part II of the responses to Request 1).*

*A description of the proposed NCH pharmacy financial assistance program is included in the presentation titled "ISHC-UCVH Board Meeting Presentation – 2-3-2021" at appendix L to the Notice, on slides 3 through 6.*

10. Explain in paragraph 8(d) of the Agreement and Plan of Merger the meaning of the phrase, "so long as the federal government does not materially reduce the benefit of such program."

**ANSWER**

*The quoted portion of paragraph 8(d) of the Merger Agreement is meant to address a material change or elimination of the 340B Pharmacy program. The Parties recognize the possibility that the federal government could significantly alter or modify the program to the point where it would make economic sense to seek other alternatives to achieve lower drug-pricing at the retail level.*

11. Provide a side-by-side comparison of ISHC's current services, including any clinical and non-clinical services, such primary care (pediatric, adult, family practice, internal medicine, obstetric/gynecology), behavioral care, emergency care, preventive health services, dental care, specialty care, transportation, interpretive services, onsite care management and outreach, diagnostic and lab, and after-hours care, with the services that the RHC will offer in accordance with paragraph 8(a) of the Agreement and Plan of Merger.

**ANSWER**

*The RHC will replicate ISHC's current services pursuant to paragraph 8(a) of the Agreement and Plan of Merger. A side-by-side is set forth below. Please also refer to new Appendix T.*

*ISHC Services*

*RHC Services*

*General Primary Care*

*General Primary Care*

*Screenings (basic)*

*Screenings (basic)*

*After hours call services*

*After hours call services*

*Voluntary Family Planning*

*Voluntary Family Planning*

*Immunizations*

*Immunizations*

*Well Child Services*

*Well Child Services*

*Gynecological Care*

*Gynecological Care*

*Obstetrical Care (Prenatal)*

*Obstetrical Care (Prenatal)*

*Pharmaceutical Services*

*Pharmaceutical Services (NCH will provide 340B access)*

*Case Management*

*Case Management*

*Eligibility Assistance*

*Eligibility Assistance*

*Health Education*

*Health Education*

*Outreach*

*Outreach*

*Transportation (ISCH arranges it)*

*Transportation (RHC will arrange it)*

*Translation (ISCH uses outside vendor)*

*Translation (RHC will use outside vendor)*

*Behavioral Health (Mental Health; SUD)*

*Behavioral Health (Mental Health; SUD)*

*In sum, the RHC will offer a broad array of primary care services including, but not limited to the following services:*

- *Adult Primary Care: Family Medicine with the possibility of adding Adult Internal Medicine and potentially a geriatrician*
- *Pediatrics: Pediatrician on-site part time*
- *After Hours Call Coverage: The practice will offer after hours call coverage for patients to speak to a provider*
- *Medication Assistance Program: Samples, industry-issued coupons, etc. to meet the needs of patients with financial hardships*
- *Behavioral Health: Behavioral Health providers on-site*
- *Medication Assisted Treatment: To treat patients with Substance Use Disorders*
- *Obstetrics/Gynecology: Practitioner with clinical interest in these areas*
- *Osteopathic Manipulation: Current provider with interest in performing osteopathic manipulation*
- *Care Management and Outreach: Colebrook-based and NCH-based care management and outreach services*
- *NCH Retail Pharmacy: The retail pharmacy will continue operations under the NCH umbrella and will include the UCVH/NCH proposed pharmacy financial assistance program*

12. Describe the plans for ISHC's Canaan, VT facility and for serving the Canaan, VT facility patients following the merger.

### **ANSWER**

*UCVH anticipates that the RHC will initially serve the Canaan, VT region through its Colebrook, NH location which is approximately a 10-minute drive from Canaan. ISHC's presence in Canaan, VT over the past several years has been part time, and this practice location closed in March 2020 with no immediate plans by ISHC to re-open it.*

*Once the renovations are complete at the Colebrook, NH location and the practice has moved into the current ISHC building, UCVH will explore plans to relocate its modular primary care facility to W. Stewartstown, NH in order to serve the Canaan, VT region more conveniently. Canaan, VT and W. Stewartstown, NH are less than a mile apart.*

*In addition, NCH, including UCVH and WMC anticipates partnering with Harvard Pilgrim Health Care on a mobile clinical van/exam room which may be able to bring primary care into the NH border communities of VT and ME.*

13. State whether UCVH is contemplating discontinuing any services currently offered by ISHC in the ten-year period following the merger, and if so, describe those services.

**ANSWER**

*At this time, UCVH has no plans to discontinue the services detailed in number 11 above and envisions running an RHC model unless and until Federal rules change which make doing so unsustainable.*

*UCVH believes that the services mentioned in number 11, above, represent substantially all, if not completely all, of the current service offerings of ISHC.*

14. State whether UCVH is contemplating adding any services currently offered by ISHC in the five-year period following the merger, including, but not limited to, dental services and specialty care services, and if so, describe those services.

**ANSWER**

*ISHC does not currently offer formal dental services to the community. UCVH is currently in the early exploratory phase of partnering with Coos County Family Health services to establish a CCFHS dental practice in Colebrook which could be subsidized by UCVH. In addition, UCVH and NCH continue to seek opportunities for enhanced specialty care. Active recruitment of an ophthalmologist is underway as well as the preliminary recruitment of a dermatologist.*

15. The Community Health Needs Assessment conducted by ISHC and included in the Notice as Appendix J indicates that members of the community have had concerns about provider turnover at ISHC and the lack of stable adult and pediatric primary care. Describe the steps that UCVH intends to take to

retain excellent primary care providers in the community.

### **ANSWER**

*The new RHC managed by WMC is employing a pediatrician who is seeing patients in Colebrook one day per week. In addition, the RHC has been successful in recruiting a part time APRN who will be starting in September, and one of its physicians will be adding an additional clinical day per week. Ongoing efforts continue to recruit a fulltime physician. Elements of recruitment and retention which NCH continues to successfully employ include:*

- *Healthcare System: Providers, especially of the younger generation, are interested in working for an integrated system, such as NCH, which can offer more stability and opportunity than a stand-alone practice;*
- *Workflow: The RHC model employed by NCH/WMC includes significant "chart prep" functions which make the management of the patient, through the electronic health record, more efficient and less frustrating for the providers. We have seen a high level of satisfaction on the part of our Colebrook RHC providers; and*
- *Culture: A culture of trust and teamwork is what UCVH, WMC and all of NCH strive for. Infighting, accusation, innuendo and gossip are not tolerated, and clear expectations are set. Creating a welcoming, team environment leads to greater provider satisfaction and hence retention.*

16. The Community Health Needs Assessment conducted by ISHC and included in the Notice as Appendix J indicates that members of the community have had concerns about appointment availability for pediatric and adult patients who seek routine and urgent care. Describe the steps that UCVH intends to take to address this need in the community.

### **ANSWER**

*As stated in answer to request 15, the Colebrook RHC is already staffed with a well-respected pediatrician. The RHC has after-hours call and same day appointment availability. In addition, ongoing recruitment efforts will lead to additional capacity for patient access.*

*Another element of securing access is the ability to "flex" other NCH providers into the Colebrook market to meet demand. While there are no immediate plans to do this, the option exists to flex capacity from other parts of NCH into*



*Colebrook and/or N. Stratford.*

Human Resources Matters

17. Provide the numbers of full-time and part-time management, administrative, and clinical staff currently employed or retained by ISHC, now and as of December 31, 2019 and 2020.

ANSWER

December 31, 2019 (total 54)

*11 Managers*

*19 Clinical*

*12 Administration*

*3 Environmental Services*

*6 Pharmacy*

*3 Finance*

December 31, 2020 (total 43)

*10 Managers*

*13 Clinical 1 Part Time*

*13 Administration*

*3 Environmental Services*

*3 Pharmacy*

*3 Finance*

As of July 23, 2021 (total 33)

*8 Managers*

*9 Clinical 4 Part Time*

*5 Administration*

*1 Environmental Services 1 Part Time*

*2 Pharmacy 2 Part Time*

*1 Finance*

18. Provide the numbers of full-time and part-time management, administrative, and clinical staff currently employed by ISHC that UCVH intends to hire following the merger.

ANSWER

*Conditional offers of hire (conditioned upon the successful completion of the merger), are currently in process. While we do not have an exact count, we anticipate that conditional hires will be made shortly.*

*On July 22, 2021, UCVH held a full day ISHC job fair with job opportunities and representation from all four (4) NCH affiliates, Bangor Savings Bank, American Performance Polymers and White Mountains Community College (with information on certificate and degree programs). A virtual job fair will be offered if ISHC HR believes there is interest in such a virtual event.*

19. Does ISHC have any contracts with employees or physicians, and if so, how will those employment agreements and physician employment contracts be affected by the transaction?

**ANSWER**

*ISHC does not have any contracts with its employees or physicians, except for an employment agreement with its current CEO. ISHC does contract with a placement firm, Locums Tenement, for locums tenens.*

20. Provide details concerning the severance plan described in paragraph 8 (g) of the Agreement and Plan of Merger, including the eligibility criteria.

**ANSWER**

*ISHC will be offering a severance package for all employees who are not conditionally hired by UCVH/WMC/NCH prior to the merger.*

21. Describe how the transaction will affect the retirement plan offered to ISHC employees.

**ANSWER**

*ISHC will ensure that its 401(k) benefit plan is properly administered as a result of the transition. Additional detail and information shortly will be provided.*

22. Describe any plans developed by UCVH and ISHC for the integration of their workplace cultures, processes, staff, employment practices and policies, pay and benefits, and philosophies. If the plans include engaging an organizational consultant, provide the name of the consultant.

**ANSWER**

*There is no plan for automatic employment at the time of merger. All ISHC employees will need to apply for positions withing the NCH system.*

*As such, all hires/conditional hires will be offered the NCH-level of benefits and will be subject to the NCH pay scale in place for the position they assume.*

*See answer to 15 above with regard to integration of culture. It is anticipated that the interview process will provide for the ability to determine ahead of time if ISHC applicants would be a good cultural fit.*

**Donor Restricted Funds**

23. Provide original cost, most recent year end market value, and restriction status for each of ISHC's donor restricted funds which comprise its donor restricted net assets, both temporary and permanent/perpetual.

**ANSWER**

*ISHC does not possess any donor restricted funds.*

24. Provide copies of ISHC's investment policy applicable to donor restricted and board restricted assets as well as copies of its spending policies for appropriation of donor restricted and board restricted assets.

**ANSWER**

*ISHC has not received donor restricted funds and does not have an investment policy addressing such funds.*

**Information Regarding UCVH**

25. Provide original cost, most recent year end market value, and restriction status for

each of UCVH's donor restricted funds which comprise its donor restricted net assets, both temporary and permanent/perpetual.

**ANSWER**

*Attached as new Appendix X is an Excel spreadsheet showing an accounting for all of UCVH's donor-restricted funds as of September 30, 2020.*

26. Provide copies of UCVH's investment policy applicable to donor restricted and board restricted assets as well as copies of its spending policies for appropriation of donor restricted and board restricted assets.

**ANSWER**

*Attached as new Appendices Y and Z are UCVH's Investment Guidelines & Objectives and UCVH's Acceptance of Gifts Policy.*

27. To the extent that they have not previously been provided, provide copies of any financial forecasts and consultant reports considered by the Board of UCVH in connection with the consideration of an affiliation, merger, acquisition, and/or combination transaction with ISHC and a potential transition to an RHC, including any reports prepared by Stroudwater Associates.

**ANSWER**

*UCVH engaged Stroudwater Associates for two purposes:*

- 1. Educate the Boards of ISHC and UCVH on the similarities and differences between FQHCs and RHCs: See Appendix T at slides 7 through 11;*
- 2. Conduct a Financial Analysis, Assessment and Benchmarking: See Appendix T at slides 21 through 27.*

*An internal financial pro forma was developed by WMC and initially presented to the UCVH Board on February 23, 2021. Attached as new Appendix Z-1 is a presentation titled "WMC Colebrook RHC"; this information is also referenced in the Coordinated Activity Plan included as an exhibit within Appendix H.*

Very truly yours,



Andrew B. Eills

Shaheen & Gordon, P.A.

By: \_\_\_\_\_  
Alexander W. Campbell, Esq.

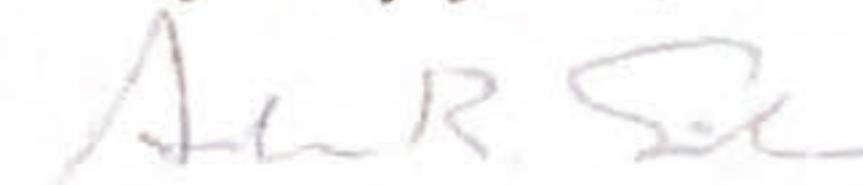
By: \_\_\_\_\_  
Kara J. Dowal, Esq.

Attachments

cc: Thomas Donovan, Esq., Director, Charitable Trust Unit  
Gail Fisher, Chair, Indian Stream Health Center, Inc. Board of Directors  
Scott G. Colby, CEO, Upper Connecticut Valley Hospital  
Katherine M. Hanna, Esq.



Very truly yours,

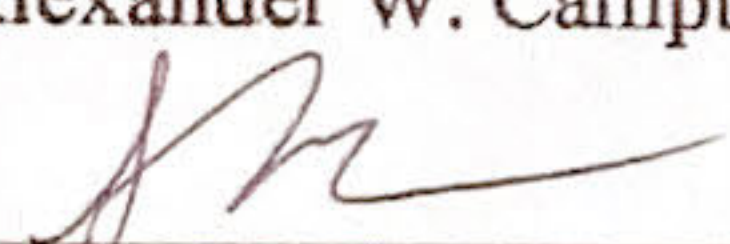


Andrew B. Eills

Shaheen & Gordon, P.A.

By: 

Alexander W. Campbell, Esq.

By: 

by dr. Kara J. Dowal, Esq.

Attachments

cc: Thomas Donovan, Esq., Director, Charitable Trust Unit  
Gail Fisher, Chair, Indian Stream Health Center, Inc. Board of Directors  
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Katherine M. Hanna, Esq.