

APPENDIX R

SolutionHealth Statement of Acquirer Under RSA 7:19-b, III

STATEMENT OF ACQUIRER

I, Sherry Hausmann, exclusively in my capacity as the President and Chief Executive Officer of SolutionHealth, Inc. ("SH"), and on behalf of the Board of Trustees of SH (the "Board") pursuant to authority granted by the Board to me by resolutions dated June 24, 2021, do hereby provide this statement in accordance New Hampshire RSA 7:19-b, III, in connection with the proposed combination transaction (the "Combination") with Home Health and Hospice Care ("HHHC") by which SH shall become the sole member of HHHC and HHHC shall be incorporated into SH's regional network, all in accordance with the terms and conditions of a detailed Combination Agreement dated July 12, 2021 (the "Combination Agreement"), as follows:

(1) HHHC serves 25 communities throughout Southern New Hampshire and Northern Massachusetts. HHHC offers a broad array of services to these communities including Skilled Nursing, Physical, Occupational, and Speech Therapies, Home Health, Medical Social Services, Spiritual and Bereavement Counseling, and Hospice. The mission of HHHC is to provide *trusted patient-centered services that enhance each individual's independence and quality throughout life.*

(2) New Hampshire's aging population has resulted in a rise in demand for the services provided by HHHC. As a result of this rise in demand, home health agencies like HHHC have struggled to find qualified staff, have been forced to bear rising administrative costs for electronic health record technology and other necessary overhead items, and have had to adapt to a shifting reimbursement landscape moving from fee-for-service to value-based payments including through the recently implemented federal Patient-Driven Groupings Model payment system, which became effective on January 1, 2020.

(3) These challenges led HHHC's Board of Directors to conduct an analysis regarding potential affiliation or merger partners. During this process, HHHC determined that any potential

affiliate or partner should (a) be a New Hampshire non-profit health system; (b) have a compatible culture and mission; (c) serve the same or similar communities to ensure benefits for its patients relating to information sharing and clinical care; and (d) enable HHHC to utilize a more sophisticated electronic health record system.

(4) Both SH and HHHC have determined that, given the similarities of communities served and missions, in addition to SH's ability to provide HHHC with access to the EPIC electronic health record system (a system far superior to HHHC's current electronic health record) and better coordinate care for patients as they leave EHS and SNHHS and return home following hospitalization, that SH would be an ideal partner for HHHC.

(5) Through the Combination, SH desires to effectively integrate into the SH Network a suite of comprehensive and proactive, home care and hospice services provided through SH's new post-acute care division that includes HHHC. At the same time, the Combination would maintain, and enhance, the charitable mission of HHHC.

(6) More specifically, the Combination provides for the continued fulfillment of the charitable objects of HHHC as follows:

- HHHC will remain a separately incorporated and licensed home health and hospice agency and continue carrying out its existing historic charitable mission.
- Although significant operational and financial decision-making will be ceded to SH as part of HHHC's integration into the SH network, HHHC's charitable assets will be retained by HHHC. HHHC and SH shall collaborate under SH's shared decision-making model to ensure that HHHC's assets continue to be used to further HHHC's charitable purpose. HHHC shall retain sole control over decisions involving HHHC's Community Hospice House and the Community Hospice House endowment fund. In

addition, SH and HHHC have agreed that HHHC's Board of Directors shall retain exclusive control over certain board-restricted funds that HHHC's Board has moved out of operating capital and set aside for various non-operating uses. These limitations ensure that HHHC shall continue to have control over its charitable assets notwithstanding its integration into the SH network.

- The board of HHHC will remain in place and will continue to govern the delivery of HHHC's healthcare services within and subject to the requirements of the applicable SH integrated governance system, and with a continuing oversight role relative to the organization's hospice house, volunteer program, community relations, community benefit, and philanthropy. SH and HHHC intend that the majority of HHHC's executive team will also remain in place following the closing of the Combination.
- SH believes that the integration will improve access, quality, value and the patient experience, and help address the affordability and sustainability of healthcare, all while taking account of emerging community needs and rapid changes in federal and state healthcare policy, thus enhancing HHHC's ability to serve its current charitable mission.
- SH will support HHHC through the delivery of Shared Services (as identified in the Combination Agreement). For the first three years following the closing of the Combination, SH has committed to provide these services at a cost no greater than those incurred by HHHC prior to the Combination (plus inflation), and thereafter in accordance with the proportion that HHHC's Net Patient Services Revenues bear to the total Net Patient Services Revenues of all SH affiliates. These Shared Services will include transitioning HHHC to SH's more sophisticated EHR system. Assuming the


responsibility for these Shared Services will help HHHC focus on its core charitable mission. As noted in the combination agreement, expenses associated with the implementation of the Epic electronic health record and IT Shared Services related to the Epic implementation shall not be subject to the aforementioned limitation, but rather shall be allocated to HHHC based on the actual amount incurred as the result of the Epic implementation and supporting work pertaining to HHHC.

- SH will also provide certain financial support to ensure that HHHC's operational and financial needs are met into the future. HHHC shall not be required, however, to provide financial assistance to SH or assume, or be liable for, any SH debt or obligation. This commitment will help ensure that HHHC is able to serve its current charitable mission well into the future.

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Dated on this 6th day of August, 2021.

SOLUTIONHEALTH, INC.

By: 
Sherry Hautmann
President and Chief Executive Officer
Duly Authorized

Statement of Acquirer
Signature Page