

SHEEHAN PHINNEY

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VIA FIRST-CLASS &
ELECTRONIC MAIL

Diane M. Quinlan, Esq.
Assistant Director
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Re: HHHC Response to August 17, 2021 Information Requests

Dear Assistant Director Quinlan:

As you know, this firm represents Home Health and Hospice Care (“HHHC”) with respect to the Change of Control Notice submitted to your office on August 10, 2021. This letter and the attached enclosures serve as HHHC’s response to your office’s request for additional information as set forth in your letter dated August 17, 2021. I have included HHHC’s narrative response to each numbered response below.

Due Diligence by the Board

1. Provide a copy of the fully executed Letter of Intent signed by representatives of HHHS and SH (the Letter of Intent submitted to our office on January 31, 2021 was unsigned).

RESPONSE: See Attachment 1.

2. Provide copies of any and all minutes of meetings of the HHHC Board of Directors related to the transaction with SH that were not provided with the Notice.

RESPONSE: See Attachment 2, which contains the relevant Board meeting minutes. Please note that HHHC has redacted the November 2019 and June 2020 minutes and requests confidential treatment of those minutes. HHHC is producing unredacted versions for your office’s eyes only.

3. Provide copies of minutes of any meetings of the HHHC Board of Directors from 2019 to the present at which the Board discussed the potential for a possible affiliation, merger, acquisition, and/or combination transaction involving HHHC and a hospital, health care system, or entity (other than SH or its members).

RESPONSE: See Attachment 2, which contains all responsive minutes.

4. To the extent that they have not previously been provided, provide copies of any written proposals, presentations, or letters submitted to the HHHC Board of Directors or its chair or CEO regarding a potential affiliation, merger, acquisition, and/or combination transaction with SH or one of its members.

RESPONSE: See Attachment 4, which contains presentation materials from SolutionHealth (“SH”).

5. Provide copies of any written proposals, presentations, or letters submitted to the HHHC Board of Directors or its chair or CEO since January 2019 regarding a potential affiliation, merger, acquisition, and/or combination transaction with a hospital, health care system, or entity (other than SH).

RESPONSE: No responsive documents exist.

6. Provide copies of any financial forecasts and consultant reports considered by the HHHC Board of Directors in connection with its consideration of the transaction with SH.

RESPONSE: See Attachment 6, which contains (a) materials from a September 2019 HHHC Board retreat facilitated by Helms & Company at which the HHHC Board evaluated options including remaining independently owned and operated, partnering with another organization, and merging with another organization; and (b) a follow up strategic planning report presented by Helms & Company at the July 2020 HHHC Board meeting.

7. Provide copies of any written comments from employees, volunteers, clients, and members of the public that were submitted to HHHC regarding the proposed transaction with SH.

RESPONSE: See Attachment 7.

Donor Restricted Funds

8. With respect to each of HHHC's donor-restricted funds, provide the description of the purpose of the fund, the date of the initial contribution, the original dollar value, the current dollar value, and for each fiscal year for the past 5 years, the annual appropriation for expenditure from the fund.

RESPONSE: See Attachment 8.

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

RESPONSE: See Attachment 9.

Human Resources Matters

10. Is a reduction in force or a layoff of employees contemplated as a result of transaction? If so, how many HHHC employees are expected to be impacted?

RESPONSE: There is no reduction in force or layoff contemplated at this time.

11. Describe any plans developed by HHHC and SH 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.

RESPONSE: To date, the parties have not developed any definitive integration plans on these issues. However, as explained in Section 6 of the Combination Agreement, the parties have formed a Combination Work Group with various subcommittees to develop plans around information technology, workforce, and other administrative, operational, financial, and clinical issues in order to ensure that the parties are ready to close and achieve the objectives set forth in the Combination Agreement.

12. Describe any meetings senior management and/or the Board of Directors of HHHC had with its staff and volunteers regarding the proposed transaction, including the dates of the meetings, the attendees, the information shared with the staff and volunteers, and any concerns expressed by the attendees about the transaction.

RESPONSE: When HHHC and SH signed the Letter of Intent in early February 2021, HHHC held three all staff Town Hall meetings between February 3-4, 2021 to explain the proposed SH affiliation and describe the transaction timeline and expected next steps. HHHC leadership also held a separate Town Hall meeting for its volunteers on February 8, 2021. Attachment 12 contains the materials presented at these Town Hall meetings.

In August 2021 following the parties' execution of the Combination Agreement, HHHC leadership held two volunteer Town Hall meetings and three staff Town Hall meetings concerning the planned affiliation with SH. The volunteer meetings occurred on August 13, 2021 and August 16, 2021. The staff meetings occurred on August 11, 2021, August 12, 2021, and August 17, 2021. Attachment 12 contains the presentation materials and handouts distributed at these meetings.

13. Describe the uninsured, charity care, and financial assistance policies of HHHC and any changes to the policies that are expected following the closing of the proposed transaction with SH. Explain whether under the terms of the proposed transaction, SH would have the authority to revise HHHC's uninsured, charity care, and financial assistance policies or whether such changes would be within the purview of HHHC.

RESPONSE: Attachment 13 contains HHHC's financial assistance and charity care policy. Under the terms of the proposed transaction, SH would have the authority to revise HHHC financial policies with input from HHHC's CEO/President.

14. Describe how the proposed transaction would impact HHHC's "affiliations and partnerships" with New Hampshire Catholic Charities, National Alliance for Grieving Children, St. Joseph Hospital, We Honor Veterans, and Catholic Medical Center.

RESPONSE: The Combination Agreement permits HHHC to continue providing services to the entities listed above, so HHHC does not expect material impacts on HHHC's affiliations and partnerships with these entities. SH will not have exclusive use of HHHC's home health and hospice services.

Please note that HHHC does not work with the National Alliance for Grieving Children but does provide bereavement services to the Friends of Aine Foundation, which facilitates bereavement support services and resources to children and families who have suffered the loss of a loved one.

15. Describe the plan for integration of the electronic medical record systems of HHHC and SH and the estimated costs for such integration or conversion to a new system.

RESPONSE: Pursuant to Section 2.2.5 of the Combination Agreement, SH will implement the EPIC electronic health record at HHHC within the 12-month period following closing. The estimated cost of the EPIC implementation to HHHC is \$240,000 with an additional \$160,000 in staff training costs. The parties have established an IT work group to engage in pre-closing planning efforts concerning the planned EHR integration and implementation.

Please contact me if you have any questions about the responses above or if you need any additional documents or information. Thank you.

Very truly yours,



Jason D. Gregoire, Esq.

Enclosures

cc: Thomas J. Donovan, Esq. (via e-mail)
John Getts, CEO (via e-mail)
John Friberg, Jr., Esq. (via e-mail)
William Ardinger, Esq. (via e-mail)