



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
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Fax: 603-271-0545 TDD Access: 1-800-735-2964



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

October 3, 2012

SOLE SOURCE

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, Bureau of Infectious Disease Control, to exercise a **sole source** amendment to an agreement with New Hampshire Hospital Association, Purchase Order #1017560 (Vendor #160051 B001), 125 Airport Road, Concord, NH 03301, by increasing the Price Limitation by \$286,318 from \$1,512,418 to \$1,798,736 to provide hospital emergency preparedness planning services, effective November 14, 2012 or the date of Governor and Council approval, whichever is later. This agreement was originally approved by Governor and Council on July 13, 2011, Item #68. Funds are available in the following account for SFY 13 with authority to adjust amounts if needed and justified, between State Fiscal Years.

100% FED

05-95-90-902510-2239 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS:
DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, HOSPITAL
PREPAREDNESS

Fiscal Year	Class/Object	Class Title	Job Number	Current Modified Budget	Increased (Decreased) Amount	Revised Modified Budget
SFY2012	102-500731	Contracts for Prog Svc	90077700	\$630,174.00	\$0.00	\$630,174.00
SFY2013	102-500731	Contracts for Prog Svc	90077700	\$756,209.00	\$286,318.00	\$1,042,527.00
SFY2014	102-500731	Contracts for Prog Svc	90077700	\$126,035.00	\$0.00	\$126,035.00
			Total	\$1,512,418.00	\$286,318.00	\$1,798,736.00

EXPLANATION

Sole source: the New Hampshire Hospital Association was specified as the contracted work performer for these activities in the federal grant application, which was approved and awarded. As the coordinating body for the State's hospitals, the New Hampshire Hospital Association is uniquely qualified, and is the organization already providing leadership in this effort to conduct the hospital preparedness planning and implementation activities included in this contract. The Hospital Association has very successfully conducted this program under agreement with the State since December 4, 2002, after the receipt of the first post-9/11 federal award for hospital preparedness.

Funds in this amendment will be used to provide the coordination and implementation of additional all-hazards planning to upgrade the preparedness capabilities of New Hampshire's 26 acute care hospitals, Veteran's Affairs Hospital and collaborating healthcare entities to respond to significant medical surges resulting from large-scale incidents, including those incidents requiring mass immunization, treatment, isolation and quarantine in the aftermath of bioterrorism or other outbreaks of infectious disease within their communities and regions such as pandemic influenza. It is mainly through this contract that the State achieves the grant requirement from the federal Hospital Preparedness Program grantor agency that the award must be allocated in large part to hospitals and healthcare partners.

All New Hampshire citizens potentially benefit from the hospital emergency preparedness and response planning provided under this agreement. In the event of an incident causing a significant surge of patients, New Hampshire hospitals will respond with a higher level of readiness and coordination, especially for situations requiring decontamination, isolation or mass evacuation of patients. Additional attention is paid in emergency preparedness planning to the special needs of populations with special medical or mobility needs.

Work accomplished through this agreement has strengthened hospital response in numerous real events in recent years in New Hampshire, including: a large hepatitis outbreak involving a popular food establishment; H1N1 influenza in 2009-2010; a large-scale emergency vaccination campaign for meningitis; and acute weather-related events including floods, a tornado, severe winter and ice storms, and severe wind events. The New Hampshire Hospital Mutual Aid Network has been established under the efforts of this agreement, with a written agreement among hospitals to provide assistance when a member hospital's capacity to respond in an emergency is being overwhelmed.

Additional funds to support this initiative and contractual agreement have been made available in the current-year federal grant award.

Should Governor and Executive Council not authorize this Request, the level of coordination between hospitals, the Division of Public Health Services and the Division of Homeland Security and Emergency Management on emergency response planning would be reduced, leaving the state's healthcare community less prepared to respond to large-scale emergencies.

These services in this contract in SFY12 (between the prior contract, and the current contract) were in the amount of \$782,163. The new amount for this agreement in SFY13 (\$1,042,527) represents an increase of \$260,364. The increase is due to additional funding made available in the current federal grant for this contractual agreement.

In accordance with the original contract, the following performance measures, with higher benchmarks, will be used to measure the effectiveness of the agreement.

- Number of collaboration meetings of the designated Emergency Management Coordinators from participating hospitals, for the development of collective and individual preparedness goals in capabilities such as hospital evacuation planning, decontamination planning, incorporation in planning of the functional needs of at-risk populations, and more.
- Timeliness of reporting of the inventory of hospital compliance with National Incident Management System standard, and other implementation activities.
- Number of trainings or other technical assistance for hospitals on preparedness capabilities.

His Excellency, Governor John H. Lynch
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- Accuracy of reporting of distributions made under this agreement to member hospitals for preparedness planning activities, and collection of data on in-kind contributions by hospitals to those activities.
- Number of key hospital personnel attending emergency preparedness trainings or conferences.
- Number of hospital exercises conducted that include testing of emergency response capabilities.

Area served: statewide.

Source of Funds: 100% Federal Funds from the U.S. Department of Health and Human Services, Assistant Secretary for Preparedness and Response's grant award to the Division of Public Health Services titled "HPP and PHEP Cooperative Agreements."

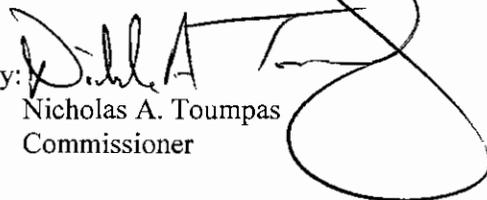
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



Nicholas A. Toumpas
Commissioner

JTM/ma

AMENDMENT ONE

This agreement (hereinafter called the "Amendment One") dated this 2nd day of October, 2012 is by and between the State of New Hampshire acting by and through its Division of Public Health Services of the Department of Health and Human Services, (hereinafter referred to as the "Division") and the New Hampshire Hospital Association, Purchase Order Number 1017560, a corporation organized under the laws of the State of New Hampshire, with a place of business at 125 Airport Road, Concord, New Hampshire 03301 (hereinafter referred to as the "Contractor").

WHEREAS, pursuant to an agreement (hereinafter called the "Agreement") dated July 13, 2011, Item #68, the Contractor agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Division of certain sums as specified therein;

WHEREAS, pursuant to the provision of Section 18 of the Agreement, the Agreement may be modified or amended only by a written instrument executed by the parties thereto and only after approval of such modification or amendment by the Governor and Executive Council;

WHEREAS, the Contractor and the Division have agreed to amend the Agreement in certain respects;

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and set forth herein, the parties hereto do hereby agree as follows:

1. **Amendment and Modification of Agreement:**

The Agreement is hereby amended as follows:

Amend Section 1.8 of the General Provisions by increasing the Price Limitation by \$286,318, from \$1,512,418 to \$1,798,736.

Exhibit A – Scope of Services

The attached Exhibit A-1 revokes and replaces the original Exhibit A.

Exhibit B – Contract Price

Exhibit B of the Agreement, is hereby amended as follows:

The contract price shall increase by \$286,318 for SFY 13 and \$0 for SFY 14. The contract shall total \$1,798,736 for the contract term.

Funding in the amount of \$286,318 is available from 010-090-2239-102-500731, 100% Federal Funds, from the U.S. Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response, CFDA #93.889.

2. Effective Date of Amendment:

This Amendment shall take effect on November 14, 2012 or the date of Governor and Council approval, whichever is later.

3. Continuance of Agreement:

Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement and the obligations of the parties hereunder, shall remain in full force and effect in accordance with the terms and conditions set forth therein.

The remainder of this page is intentionally left blank.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

STATE OF NEW HAMPSHIRE
Division of Public Health Services

By:  10/11/12
Joan H. Ascheim Date
Bureau Chief

By:  10/02/12
Stephen M. Ahnen Date
President

New Hampshire Hospital Association
Legal Name of Agency

STATE OF NEW HAMPSHIRE
COUNTY OF MERRIMACK

On this the 2nd day of October 2012, before me, Julie C. Osgood,
(name of notary)
the undersigned officer, Stephen Ahnen personally appeared who acknowledged him/herself
(contract signatory)
to be the President of the New Hampshire Hospital Association,
(signatory's title) (legal name of agency)
a corporation, and that he/she, as such President, being authorized so to do,
(signatory's title)
executed the foregoing instrument for the purposes therein contained, by signing the name of the
corporation by him/herself as President of the New Hampshire Hospital Association.
(signatory's title) (legal name of agency)
In witness whereof I hereunto set my hand and official seal.

Julie C. Osgood
Notary Public/Justice of the Peace

My Commission expires: ~~My Commission Expires~~
February 18, 2014

Approved as to form, execution and substance:

OFFICE OF THE ATTORNEY GENERAL

By: Jeanne P. Hennick
Assistant Attorney General
JEANNE P. HENNIK
Date: 21 Oct. 2012

I hereby certify that the foregoing contract was approved by the Governor and Council of the State of
New Hampshire at the Meeting on: _____.

OFFICE OF THE SECRETARY OF STATE

By: _____
Title: _____

NH Department of Health and Human Services

**Exhibit A-1
Scope of Services**

Hospital Emergency Preparedness Planning Services

CONTRACT PERIOD: August 31, 2011 through August 30, 2013

CONTRACTOR NAME: New Hampshire Hospital Association

**ADDRESS: 125 Airport Road
Concord, NH 03301**

**President: Stephen Ahnen
TELEPHONE: (603) 225-0900**

This Exhibit A-1 revokes and replaces the original Exhibit A.

On behalf of the New Hampshire Department of Health and Human Services (DHHS), the contractor agrees to assist DHHS, the State of New Hampshire, and the participating acute care and specialty hospitals of the State, in planning, implementing and strengthening hospital emergency preparedness and response, related, but not limited to, the National Hospital Preparedness Program (HPP) funded by the Office of the Assistant Secretary for Preparedness and Response (ASPR) of the U.S. Department of Health and Human Services . The contractor also agrees to support participating hospitals as they work with other community-based organizations, and state and federal agencies, to develop public health preparedness plans. The contractor will work with the hospitals to achieve the development of their Regional Healthcare Coalitions and their hospital network in accordance with the following:

Continue to promote the New Hampshire Hospital Mutual Aid Network concept as the basis of hospital preparedness activities.

Support hospital participation in the Public Health Network planning initiative and other regional planning where hospitals are a key stakeholder.

Endorse and advance coalition building across the healthcare continuum by working with hospitals to take an approach to evacuation planning, exercises, and other shared medical surge capacity issues that leverages partnerships and resources for a stronger response capability.

Outreach to partners at the Federal, State, Regional, Local and Facility levels to deepen understanding of hospital emergency preparedness and promote joint ventures, as appropriate.

1. TECHNICAL ASSISTANCE

The contractor shall dedicate, at a minimum, 50% of time to directly assisting hospitals with emergency preparedness planning, training, exercises, and implementation tasks identified during planning and other technical assistance as needed. This assistance shall be based on the priorities identified by ASPR and will include overarching objectives, and seven HPP capabilities.

1.1 Overarching Objectives of the HPP

The contractor will provide technical assistance on ASPR HPP overarching objectives to participating hospitals in the following areas.

1.1.1 National Incident Management System (NIMS)

Hospitals receiving funds shall continue implementing and maintaining the NIMS compliance requirements set forth by the ASPR, including adherence to due dates, and to report to the contractor, the status of each of the NIMS requirements for each participating hospital on an annual basis.

1.1.2 Needs of At-Risk Populations

Hospitals shall integrate the needs of at-risk populations in hospital emergency response plans. Special efforts should be made to help hospitals incorporate functional needs in planning with their partners for regional medical surge operations to ensure hospital resources are used and reserved for appropriate purposes.

1.1.3 Education and Preparedness Training

The Contractor shall:

Identify, organize and coordinate training and educational opportunities for the hospital community.

Assist hospitals to achieve their individual training objectives, as appropriate.

1.1.4 Exercises, Evaluation and Corrective Actions

The Contractor shall:

Collect from the hospitals all after action reports and improvement plan summaries for exercises using HPP funds in whole or in part.

Create opportunities for sharing lessons learned from exercises and real events between hospitals.

Support participating hospitals in their efforts with healthcare coalitions in their efforts to comply with the HSEEP guidelines to include development of multi-year training and exercise plans, capabilities-based exercise design, after action reports and tracked improvement plans.

Participate in planning and conduct of regional and statewide exercises and drills, as appropriate.

Assist State and regional partners in the fulfillment of their mandatory exercise requirements of the CRI, SNS, and ASPR HPP grants by providing input and overseeing appropriate, meaningful and productive hospital participation.

Direct hospitals to include the following operational capabilities in their exercises, in accordance with their Hazard Vulnerability Analysis (HVA):

- Interoperable communications
- MOUs with partnerships/coalitions, such as Public Health Networks (PHN) and the NH Hospital Mutual Aid Network

- Fatality Management
- Medical Evacuation/Shelter in Place
- Tracking of Bed Availability
- Hospital surge capacity and capability
- Regional medical surge capacity and capability

1.2 Capabilities as Defined in the Combined HPP and PHEP Federal Funding Opportunity Announcement

The contractor will provide technical assistance on the eight ASPR Healthcare Preparedness Capabilities listed below and associated performance measures to participating hospitals (There are fifteen Capabilities related to healthcare and public health preparedness. Of those, the HPP program has focused on the eight which fall within the scope of this contract: 1,2, 3, 5, 6, 10, 14 and 15). This new federal guidance requires new and innovative efforts by DHHS and subawardees in bringing multiple partners together to form and enhance preparedness in the existing regional coalitions across the healthcare, behavioral health and public health sectors. These efforts will focus on the Capabilities in the following ways:

1.2.1 Capability 1: Healthcare System Preparedness

The Contractor shall:

Assist hospitals and coordinate activities that facilitate achievement of overall healthcare system preparedness in the following functions:

- Function 1: Develop, refine, or sustain Healthcare Coalitions
- Function 2: Prepare the healthcare system for a disaster.
- Function 3: Identify and prioritize essential healthcare assets and services
- Function 4: Determine gaps in the healthcare preparedness and identify resources for mitigation of these gaps
- Function 5: Provide training to assist healthcare responders to develop the necessary skills in order to respond
- Function 6: Improve healthcare response capabilities through coordinated exercise and evaluation
- Function 7: Participate in planning for at-risk individuals and those with special medical needs, as appropriate

1.2.2 Capability 2: Healthcare System Recovery

The Contractor shall:

Assist hospitals and coordinate activities that facilitate achievement of overall healthcare system recovery in the following functions:

- Function 1: Develop recovery processes for the healthcare delivery system
- Function 2: Assist healthcare organizations to develop and implement Continuity of Operations plans

1.2.3 Capability 3: Emergency Operations Coordination

The Contractor shall:

Assist hospitals and coordinate activities that facilitate achievement of effective coordination between the healthcare system and operational partners in the following functions:

Function 1: Support Healthcare organization multi-agency representation and coordination with emergency operations

Function 2: Assess and notify stakeholders of healthcare delivery

Function 3: Support healthcare response efforts through coordination of resources

Function 4: Demobilize and evaluate healthcare operations

1.2.4 Capability 5: Fatality Management

The Contractor shall:

Assist hospitals and coordinate activities that facilitate hospital involvement in fatality management in the following functions:

Function 1: Coordinate surges of deaths and human remains at healthcare organizations with community fatality management operations

Function 2: Coordinate surges of concerned citizens with community agencies responsible for family assistance

Function 3: Mental/behavioral support at the healthcare organization level

1.2.5 Capability 6: Information Sharing

The Contractor shall:

Assist hospitals and coordinate activities that facilitates essential, reasonable and actionable information sharing between healthcare systems and State, regional and healthcare coalition partners in the following functions:

Function 1: Provide healthcare situational awareness that contributes to the incident common operating picture

Function 2: Develop, refine, and sustain redundant interoperable communication systems

1.2.6 Capability 10: Medical Surge

The Contractor shall:

Assist hospitals and coordinate activities that ensure capability of the healthcare coalitions to respond to medical surge in the following functions:

Function 1: The Healthcare Coalition assists with the coordination of the healthcare organization response during incidents that require medical surge

Function 2: Coordinate integrated healthcare surge operations with pre-hospital Emergency Medical Services (EMS) operations

Function 3: Assist healthcare organizations with surge capacity and capability

Function 4: Assist in developing Crisis Standards of Care guidance

Function 5: Provide assistance to healthcare organization regarding evacuation and shelter in place operations

1.2.7 Capability 14: Responder Safety and Health

The Contractor shall:

Function 1: Assist healthcare organizations with additional pharmaceutical protection for healthcare workers.

Function 2: Provide assistance to healthcare organizations with access to additional Personal Protective Equipment (PPE) for healthcare workers during response

1.2.8 Capability 15: Volunteer Management

The Contractor shall:

Function 1: Participate with volunteer planning processes to determine the need for volunteers in healthcare organizations.

2. REPORTS

The contractor shall report on the performance measures relevant to all hospitals participating in the HPP program. The contractor will provide a comprehensive written progress report on at least a semi-annual basis to the DHHS Hospital Emergency Preparedness Coordinator, or designee. These reports will be based on progress in planning and preparedness as a result of exercises and reported by hospitals, as observed at on-site visits by the contractor, as indicated by results of the annual data survey and analysis and through direct leadership of projects as described in this scope.

Reports will reflect the activities delineated in Section 1 of this scope and directly relate to ASPR HPP performance measures.

3. OTHER REQUIREMENTS

3.1 Dissemination of Information to Hospitals

The contractor shall disseminate information from DHHS and other agencies/partners to hospitals, as necessary. Information to be disseminated could include emergency or routine messages, reports on State-wide planning, training or exercising activities, notices of meetings, clarification on grant requirements and any information deemed pertinent to activities delineated in Section 1 of this scope as they relate to the ASPR HPP.

3.2 Meetings

Within 12 months of the grant award, the contractor will convene no less than 6 meetings of hospital representatives to discuss matters related to meeting ASPR HPP goals as outlined in Section 1 of this scope. The Hospital Emergency Management Group shall determine, with the guidance of the Contractor, the strategies and methodologies to achieve the goals of the ASPR HPP.

The contractor shall also chair sub-committees of the Hospital Emergency Management Group to further advance the ASPR HPP Capabilities. Current sub-committees include:

Communications Committee
Evacuation Committee
Implementation and Sustainability Committee
Regional Medical Surge Advisory Committee (includes Public Health Network partners)

Other committees shall be coordinated by the Contractor on an ad hoc basis according to identified need to work on a specific issues related to the ASPR HPP or other public health topic.

The Contractor shall be a member of State or regional committees or attend meetings related to public health and hospital emergency preparedness representing participating hospitals, as requested.

The Contractor shall attend meetings and provide input on behalf of hospitals on all planning, exercising and equipment initiatives generated by State partners.

4. PERSONNEL FOR PREPAREDNESS AND RESPONSE DEVELOPMENT

The contractor shall continue support for a Hospital Preparedness Coordinator position. The Preparedness Coordinator duties will include, but are not limited to:

- Conducting interim and final reports related to the ASPR HPP
- Conducting grant activities that are included in the contract and/or additional emergency preparedness grants or initiatives, such as the CDC Public Health Emergency Preparedness grant
- Coordinating emergency preparedness planning with hospitals, first responders, and public health agencies, and
- Ensuring that the Scopes of Service outlined under this contract are carried out in an appropriate and timely manner.

5. HOSPITAL PREPAREDNESS GRANT AWARDS

5.1 Allocation Plan

Within 30 days of the award, the contractor shall develop a hospital funding allocation plan to assist hospitals in preparedness planning efforts, to meet their basic planning needs in preparation for a public health emergency, and in conjunction with the goals and objectives of the ASPR Grant as outlined in Section 1 of this scope.

5.2 Conditions of Funding for Hospitals

The contractor shall allocate funds to hospitals when they have met the following conditions:

- Participate actively in Regional Healthcare Coalitions
- Maintain current emergency management and operations plans
- Participate in the annual data collection process conducted by the Contractor
- Provide current contact information for use in an emergency
- Attend at least 4 Hospital Emergency Preparedness Group meetings
- Participate in the New Hampshire Hospital Mutual Aid Network
- Work to integrate plans with local and regional partners, in accordance with ASPR capabilities.
- Participate in local, regional and State exercises, as appropriate
- Provide estimated budgets for each allocation, as requested the Contractor
- Provide semi-annual expenditure reports, as requested the Contractor
- Provide written self-certification of NIMS implementation to NHHA, as required by ASPR

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 NEW HAMPSHIRE HOSPITAL ASSOCIATION is a New Hampshire nonprofit corporation formed April 26, 1967. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 2nd day of October A.D. 2012

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State



CERTIFICATE OF VOTE

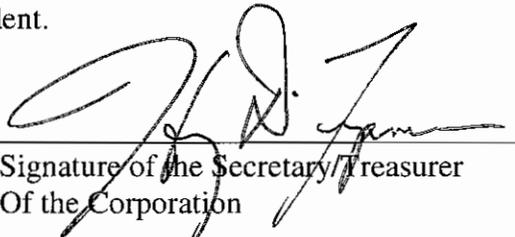
I, **Henry Lipman**, do hereby certify that:

1. I am the duly elected clerk of the New Hampshire Hospital Association.
2. The following are true copies of the two resolutions duly adopted at the meeting of the Board of Directors of the Corporation duly held May 21, 2002:

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire acting through its Department of Health and Human Services, Office of Community and Public Health, for the provision of hospital emergency preparedness planning services.

RESOLVED: That the President or Executive Vice President are hereby authorized on behalf of this Corporation to enter into said contract 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/she may deem necessary, desirable or appropriate.

3. The foregoing resolutions have not been amended or revoked and remain in full force as of October 2, 2012.
4. Steve Ahnen is the duly elected President of the Corporation and Kathy Bizarro is the duly appointed Executive Vice President.

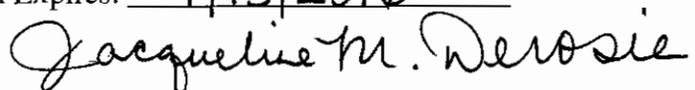

Signature of the Secretary/Treasurer
Of the Corporation

10/2/2012
Date

State of New Hampshire
County of Belknap

The foregoing instrument was acknowledged before me this 2nd day of October 2012 by Henry Lipman.

Name of Notary: Jacqueline M. Derosia
Title: Notary Public
Commission Expires: 4/13/2016





INDEPENDENT AUDITORS' REPORT

Board of Trustees
New Hampshire Hospital Association

We have audited the consolidated statements of financial position of New Hampshire Hospital Association and Affiliates (the Association) as of December 31, 2011 and 2010, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of New Hampshire Hospital Association and Affiliates as of December 31, 2011 and 2010, and the consolidated results of their activities, changes in net assets, and their consolidated cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2012, on our consideration of New Hampshire Hospital Association and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The consolidating information contained in schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BerryDunn McNeil & Parker, LLC

Manchester, New Hampshire
April 6, 2012

NEW HAMPSHIRE HOSPITAL ASSOCIATION AND AFFILIATES

Consolidated Statements of Financial Position

December 31, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Current assets		
Cash and cash equivalents	\$ 808,848	\$ 643,976
Accounts receivable	466,339	556,785
Prepaid expenses	<u>16,929</u>	<u>14,678</u>
Total current assets	<u>1,292,116</u>	<u>1,215,439</u>
Investments	1,647,247	1,687,042
Assets limited as to use - investments held under deferred compensation agreement	7,935	43,668
Property and equipment, net	551,028	585,988
Other assets	<u>952,960</u>	<u>968,728</u>
Total assets	<u>\$ 4,451,286</u>	<u>\$ 4,500,865</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 73,009	\$ 118,054
Accrued payroll and related amounts	153,232	171,879
Deferred revenue	40,072	27,193
Other current liabilities	<u>432,506</u>	<u>424,024</u>
Total current liabilities	<u>698,819</u>	<u>741,150</u>
Deferred compensation	<u>7,935</u>	<u>43,668</u>
Total liabilities	<u>706,754</u>	<u>784,818</u>
Net assets		
Unrestricted	2,998,543	3,009,642
Temporarily restricted	<u>745,989</u>	<u>706,405</u>
Total net assets	<u>3,744,532</u>	<u>3,716,047</u>
Total liabilities and net assets	<u>\$ 4,451,286</u>	<u>\$ 4,500,865</u>

The accompanying notes are an integral part of these consolidated financial statements.

NEW HAMPSHIRE HOSPITAL ASSOCIATION AND AFFILIATES

Consolidated Statements of Activities

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues		
Membership dues	\$ 1,402,103	\$ 1,373,428
Foundation support	356,000	356,000
Program revenue	716,965	1,142,266
Seminars, meetings, and workshops	133,146	94,351
Rental income	48,099	42,318
Investment income	73,375	71,954
Miscellaneous	47,963	66,592
Net assets released from restriction used for operations	<u>835,342</u>	<u>715,158</u>
Total revenues	<u>3,612,993</u>	<u>3,862,067</u>
Expenses		
Salaries and related payroll expenses	2,044,875	1,981,476
General and administrative	244,960	240,705
Program expenses	1,054,535	1,524,649
Seminars, meetings, and workshops	132,590	98,534
Depreciation	<u>83,597</u>	<u>89,462</u>
Total expenses	<u>3,560,557</u>	<u>3,934,826</u>
Excess (deficiency) of revenues over expenses	52,436	(72,759)
Net unrealized (loss) gain on investments	<u>(63,535)</u>	<u>167,928</u>
(Decrease) increase in unrestricted net assets	<u>\$ (11,099)</u>	<u>\$ 95,169</u>

The accompanying notes are an integral part of these consolidated financial statements.

NEW HAMPSHIRE HOSPITAL ASSOCIATION AND AFFILIATES

Consolidated Statements of Changes in Net Assets

Years Ended December 31, 2011 and 2010

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Balance, January 1, 2010	\$ 2,914,473	\$ 626,414	\$3,540,887
Deficiency of revenues over expenses	(72,759)	-	(72,759)
Net unrealized gain on investments	167,928		167,928
Grants received	-	795,149	795,149
Net assets released from restriction used for operations	-	<u>(715,158)</u>	<u>(715,158)</u>
Change in net assets	<u>95,169</u>	<u>79,991</u>	<u>175,160</u>
Balance, December 31, 2010	<u>3,009,642</u>	<u>706,405</u>	<u>3,716,047</u>
Excess of revenues over expenses	52,436	-	52,436
Net unrealized loss on investments	(63,535)	-	(63,535)
Grants received	-	874,926	874,926
Net assets released from restriction used for operations	-	<u>(835,342)</u>	<u>(835,342)</u>
Change in net assets	<u>(11,099)</u>	<u>39,584</u>	<u>28,485</u>
Balance, December 31, 2011	<u>\$ 2,998,543</u>	<u>\$ 745,989</u>	<u>\$3,744,532</u>

The accompanying notes are an integral part of these consolidated financial statements.

NEW HAMPSHIRE HOSPITAL ASSOCIATION AND AFFILIATES

Consolidated Statements of Cash Flows

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Change in net assets	\$ 28,485	\$ 175,160
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	83,597	89,462
Net unrealized (gain) loss on investments	63,535	(167,928)
Gain on sale of equipment	-	(17,719)
Change in cash surrender value of life insurance policies	15,768	(18,719)
Decrease (increase) in		
Accounts receivable	90,446	22,332
Prepaid expenses	(2,251)	24,452
Increase (decrease) in		
Accounts payable	(45,045)	11,545
Accrued payroll and related amounts	(18,647)	5,587
Deferred revenue	12,879	11,116
Other current liabilities	8,482	468
Net cash provided by operating activities	<u>237,249</u>	<u>135,756</u>
Cash flows from investing activities		
Purchases of property and equipment	(48,637)	(90,899)
Proceeds from sale of property and equipment	-	21,129
Purchases of investments	(150,404)	(36,174)
Proceeds from sale of investments	126,664	-
Net cash used by investing activities	<u>(72,377)</u>	<u>(105,944)</u>
Net increase in cash and cash equivalents	164,872	29,812
Cash and cash equivalents, beginning of year	<u>643,976</u>	<u>614,164</u>
Cash and cash equivalents, end of year	\$ <u>808,848</u>	\$ <u>643,976</u>

The accompanying notes are an integral part of these consolidated financial statements.



NHHA's Vision for New Hampshire

The NHHA vision is to be *THE* leading and respected voice for hospitals and health care delivery systems in New Hampshire working together to deliver compassionate, accessible, high quality, financially sustainable health care to the patients and communities they serve.

Our Mission

The NHHA mission is to provide leadership through advocacy, education and information in support of its member hospitals and health care delivery systems in delivering high quality health care to the patients and communities they serve.

Our Values

Leadership ... Innovation ... Integrity ... Excellence ... Efficiency ... Engagement ... Teamwork.



2013 BOARD OF TRUSTEES OFFICERS/EXECUTIVE COMMITTEE

Chair	Anne Jamieson, CEO Portsmouth Regional Hospital
Vice Chair	Art Nichols, CEO Cheshire Medical Center
Secretary/Treasurer	Henry Lipman, Senior VP LRGHealthcare
IPC:	Nancy Formella, Executive Advisor to the Boards Dartmouth-Hitchcock
President <i>ex officio</i>	Stephen Ahnen
AHA RPB Delegate AHA RPB Alternate	Michelle McEwen Peter Gosline

TRUSTEES

Alvin Felgar	President/CEO Frisbie Memorial Hospital
Peter Gosline	CEO Monadnock Community Hospital
Scott Howe	CEO, Weeks Medical Center
Bruce King	President/CEO New London Hospital
Stephen LeBlanc	COO Dartmouth-Hitchcock
Michelle McEwen	CEO Speare Memorial Hospital
Scott McKinnon	President/CEO The Memorial Hospital
Joseph Pepe, MD	President/CEO Catholic Medical Center
Donald Shmway	President Crotched Mountain Rehabilitation Center
Warren West	CEO, Littleton Regional Hospital

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services
Division of Public Health Services

Agency Name: New Hampshire Hospital Association

Name of Bureau/Section: Bureau of Disease Control, Communicable Disease
Section, Hospital Emergency Preparedness Planning
Services

BUDGET PERIOD:		SFY 2013	July 1, 2012-June 30, 2013	
Name & Title Key Administrative Personnel	Annual Salary Of Key Administrative Personnel	Percentage of Salary Paid By Contract	Total Salary Amount Paid By Contract	
Deborah Yeager, Director of Emergency Preparedness	\$67,157	100.00%	\$67,157.00	
Kathleen Bizarro, Executive Vice President	\$118,674	5.00%	\$5,934.00	
Stephen Ahnen, President & CEO	\$294,750	0.00%	\$0.00	
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$73,091.00	

BUDGET PERIOD:		SFY 2014	July 1, 2013-August 30, 2013 (2 months)	
Name & Title Key Administrative Personnel	Annual Salary Of Key Administrative Personnel	Percentage of Salary Paid By Contract	Total Salary Amount Paid By Contract	
Deborah Yeager, Director of Emergency Preparedness	\$11,303	100.00%	\$11,303.00	
Kathleen Bizarro, Executive Vice President	\$19,974	5.00%	\$998.00	
Stephen Ahnen, President & CEO	\$49,611	0.00%	\$0.00	
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$12,301.00	

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, **even if no salary is paid from the contract**. Provide their name, title, annual salary and percentage of annual salary paid from agreement.

Budget Form

**New Hampshire Department of Health and Human Services
Division of Public Health Services**

AMENDMENT/RENEWAL BUDGET FORM

Bidder/Program Name: New Hampshire Hospital Association

Budget Request for: Hospital Emergency Preparedness Planning Services
(Name of Agreement)

Budget Period: July 1, 2012 to June 30, 2013

Line Item	SFY 2013 Current Modified Budget	SFY 2013 Increase / (Decrease) Budget	SFY 2013 Other Funds	Total
1. Total Salary/Wages	\$ 73,091.00	\$ -	\$ -	\$ 73,091.00
2. Employee Benefits	\$ 24,495.00	\$ -	\$ -	\$ 24,495.00
3. Consultants	\$ -	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -	\$ -
Repair and Maintenance	\$ 500.00	\$ -	\$ -	\$ 500.00
Purchase/Depreciation	\$ -	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -	\$ -
Office	\$ 900.00	\$ -	\$ -	\$ 900.00
6. Travel	\$ 6,000.00	\$ -	\$ -	\$ 6,000.00
7. Occupancy	\$ 3,600.00	\$ -	\$ -	\$ 3,600.00
8. Current Expenses	\$ -	\$ -	\$ -	\$ -
Telephone	\$ 2,400.00	\$ -	\$ -	\$ 2,400.00
Postage	\$ 200.00	\$ -	\$ -	\$ 200.00
Subscriptions	\$ -	\$ -	\$ -	\$ -
Audit and Legal	\$ 13,000.00	\$ -	\$ -	\$ 13,000.00
Insurance	\$ -	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00
11. Staff Education and Training	\$ -	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	\$ -
13a. Accounting Support	\$ 3,900.00	\$ -	\$ -	\$ 3,900.00
13b. Hospital Training	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00
13c. Hospital Allocations	\$ 588,123.00	\$ 286,318.00	\$ -	\$ 874,441.00
Sub-Total Direct Costs	\$ 756,209.00	\$ 286,318.00	\$ -	\$ 1,042,527.00
14. Indirect Costs (*Not to exceed 10% of direct costs)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 756,209.00	\$ 286,318.00	\$ -	\$ 1,042,527.00

*With submission of monthly expenditure reports, the contractor shall allocate indirect costs as a percentage of actual direct costs incurred during each month, not to exceed 10% of direct costs billed that month.

DHHS Program/Section Manager Approval MA
initials

Budget Form

**New Hampshire Department of Health and Human Services
Division of Public Health Services**

AMENDMENT/RENEWAL BUDGET FORM

Bidder/Program Name: New Hampshire Hospital Association

Budget Request for: Hospital Emergency Preparedness Planning Services

(Name of Agreement)

Budget Period: July 1, 2013 to August 30, 2013

Line Item	SFY 2014 Current Modified Budget	SFY 2014 Increase / (Decrease) Budget	SFY 2014 Other Funds	Total
1. Total Salary/Wages	\$ 12,301.00		\$ -	\$ 12,301.00
2. Employee Benefits	\$ 4,084.00		\$ -	\$ 4,084.00
3. Consultants	\$ -		\$ -	\$ -
4. Equipment:	\$ -		\$ -	\$ -
Rental	\$ -		\$ -	\$ -
Repair and Maintenance	\$ -		\$ -	\$ -
Purchase/Depreciation	\$ -		\$ -	\$ -
5. Supplies:	\$ -		\$ -	\$ -
Educational	\$ -		\$ -	\$ -
Lab	\$ -		\$ -	\$ -
Pharmacy	\$ -		\$ -	\$ -
Medical	\$ -		\$ -	\$ -
Office	\$ 100.00		\$ -	\$ 100.00
6. Travel	\$ 1,050.00		\$ -	\$ 1,050.00
7. Occupancy	\$ 600.00		\$ -	\$ 600.00
8. Current Expenses	\$ -		\$ -	\$ -
Telephone	\$ 400.00		\$ -	\$ 400.00
Postage	\$ 50.00		\$ -	\$ 50.00
Subscriptions	\$ -		\$ -	\$ -
Audit and Legal	\$ -		\$ -	\$ -
Insurance	\$ -		\$ -	\$ -
Board Expenses	\$ -		\$ -	\$ -
9. Software	\$ -		\$ -	\$ -
10. Marketing/Communications	\$ 500.00		\$ -	\$ 500.00
11. Staff Education and Training	\$ -		\$ -	\$ -
12. Subcontracts/Agreements	\$ -		\$ -	\$ -
13. Other (specific details mandatory):	\$ -		\$ -	\$ -
13a. Accounting Support	\$ 650.00		\$ -	\$ 650.00
13b. Hospital Training	\$ -		\$ -	\$ -
13c. Hospital Allocations	\$ 106,300.00		\$ -	\$ 106,300.00
Sub-Total Direct Costs	\$ 126,035.00		\$ -	\$ 126,035.00
14. Indirect Costs (*Not to exceed 10% of direct costs)	\$ -		\$ -	\$ -
TOTAL	\$ 126,035.00		\$ -	\$ 126,035.00

*With submission of monthly expenditure reports, the contractor shall allocate indirect costs as a percentage of actual direct costs incurred during each month, not to exceed 10% of direct costs billed that month.

DHHS Program/Section Manager Approval

MA
initials



STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4493 1-800-852-3345 Ext. 4493
Fax: 603-271-0545 TDD Access: 1-800-735-2964



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

Approved F/C
Date
Approved G&C #68
Date 7/13/11
Not Approved

June 13, 2011

Contract: 1017560

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, Bureau of Infectious Disease Control, to enter into a sole source agreement with New Hampshire Hospital Association (Vendor #160051 B001), 125 Airport Road, Concord, NH 03301, to provide hospital emergency preparedness planning services, to be effective August 31, 2011 or date of Governor and Council approval, whichever is later, through August 30, 2013 in an amount not to exceed \$1,512,418. Funds are anticipated to be available in the following account for SFY12, SFY13, and SFY14, upon the availability and continued appropriation of funds in future operating budgets, with authority to adjust amounts if needed and justified, between State Fiscal Years.

05-95-90-902510-2239 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, HOSPITAL PREPAREDNESS

Table with 5 columns: Fiscal Year, Class/Object, Class Title, Job Number, Total Amount. Rows include SFY 2012, SFY 2013, SFY 2014, and a Total row.

EXPLANATION

Sole source: the New Hampshire Hospital Association was specified as the contracted work performer for these activities in the federal grant application, which was approved and awarded. As the coordinating body for the State's hospitals, the New Hampshire Hospital Association is uniquely qualified, and is the organization already providing leadership in this effort to conduct the hospital preparedness planning and implementation activities included in this contract. The Hospital Association has very successfully conducted this program under agreement with the State since December 4, 2002, after the receipt of the first post-9/11 federal award for hospital preparedness.

Funds in this agreement will be used to provide the coordination and implementation of all-hazard planning to upgrade the preparedness capabilities of New Hampshire's 26 acute care hospitals, Veteran's Affairs Hospital and collaborating healthcare entities to respond to significant medical surges resulting from large-scale incidents, including those incidents requiring mass immunization, treatment, isolation and quarantine in the aftermath of bioterrorism or other outbreaks of infectious disease within their communities and regions such as pandemic influenza. It is mainly through this contract that the State achieves the grant requirement from the federal Hospital Preparedness Program grantor agency that the award must be allocated in large part to hospitals and healthcare partners.

All New Hampshire citizens potentially benefit from the hospital emergency preparedness and response planning provided under this agreement. In the event of an incident causing a significant surge of patients, New Hampshire hospitals will respond with a higher level of readiness, especially for situations requiring decontamination, isolation or mass evacuation of patients. Additional attention is paid in emergency preparedness planning to the special needs of populations with special medical or mobility needs.

Work accomplished through this agreement has strengthened hospital response in numerous real events in recent years in New Hampshire, including: a large hepatitis outbreak involving a popular food establishment; H1N1 influenza in 2009-2010; a large-scale emergency vaccination campaign for meningitis; and acute weather-related events including floods; a tornado, severe winter and ice storms, and severe wind events. The New Hampshire Hospital Mutual Aid Network has been established under the efforts of this agreement, with a written agreement among hospitals to provide assistance when a member hospital's capacity to respond in an emergency is being overwhelmed.

Should Governor and Executive Council not authorize this Request, the level of coordination between hospitals, the Division of Public Health Services and the Division of Homeland Security and Emergency Management on emergency response planning would be reduced, leaving the state's healthcare community less prepared to respond to large-scale emergencies.

These services were contracted previously with this agency in SFY11 in the amount of \$866,339. In comparison, half of the two-year amount for this agreement is \$756,209, a decrease of \$110,130 in the per annum amount from the SFY11 agreement. The decrease is due to a reduction in the federal funding for this initiative.

The following performance measures will be used to measure the effectiveness of the agreement.

- Number of collaboration meetings of the designated Emergency Management Coordinators from participating hospitals, for the development of collective and individual preparedness goals in capabilities such as hospital evacuation planning, decontamination planning, incorporation in planning of the functional needs of at-risk populations, and more.
- Timeliness of reporting of the inventory of hospital compliance with National Incident Management System standard, and other implementation activities.
- Number of trainings or other technical assistance for hospitals on preparedness capabilities.
- Accuracy of reporting of distributions made under this agreement to member hospitals for preparedness planning activities, and collection of data on in-kind contributions by hospitals to those activities.
- Number of key hospital personnel attending emergency preparedness trainings or conferences.
- Number of hospital exercises conducted that include testing of emergency response capabilities.

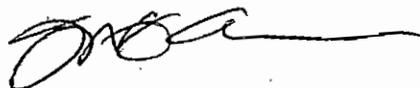
His Excellency, Governor John H. Lynch
and the Honorable Executive Council
June 13, 2011
Page 3

Area served: Statewide.

Source of Funds: 100% Federal Funds from the U.S. Department of Health and Human Services, Assistant Secretary for Preparedness and Response's grant award to the Division of Public Health Services titled "Hospital Preparedness Program."

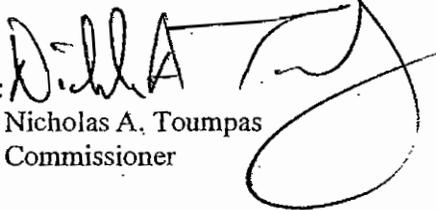
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



Nicholas A. Toumpas
Commissioner

JTM/MA