

**MARY HITCHCOCK MEMORIAL HOSPITAL
DARTMOUTH-HITCHCOCK CLINIC
BOARDS OF TRUSTEES**

Meeting Minutes

Thursday, December 17, 2009

3:00 pm - 4:15 pm

Presidents' Conference Room, DHMC

Meeting Held via Telephone Conference Call

Present: Stephen Barba; Barbara Blough; W. Blair Brooks, MD; Thomas Colacchio, MD; E. Dale Collins, MD; Vincent Conti; Barbara Couch; Nancy Formella; Michael Goran, MD; Wayne Granquist; Alfred Griggs; Edward Merrens, MD; Jennie Norman; Richard Shreve; Hugh Smith, MD; Anne-Lee Verville

Absent: Stephen Christy; William Green, PhD; Alan Keiller

Invited

Guests: Neil Castaldo; Daniel Jantzen; Stephen LeBlanc; Claire Lillie

1. Call to Order

The meeting was called to order by Dr. Goran, Chair of the Mary Hitchcock Memorial Hospital Board of Trustees, at 3:04 p.m. in the Presidents' Conference Room of DHMC.

[REDACTED]

4. D-H Health/CMC Transaction Update - Final Review of Public Input

Dr. Colacchio referred to the *Summary of Public Concerns Regarding Proposed Affiliation* included in the Board packet. The report outlines the major concerns voiced by the public through web site comments or testimony at the public hearings. The report also references each proposed change to the Affiliation Agreement and/or the Professional Services Agreement (PSA) that will address the concern when amended. Dr. Colacchio also referred the Boards to the supplemental materials included in the Board materials which deal in greater detail with public comments and questions.

Dr. Colacchio reviewed with the Board those existing sections of the Affiliation Agreement which are relevant to those comments and questions. A full discussion ensued during which the Boards acknowledged the public input and discussed ways in which to address their questions and concerns.

A brief summary of the major concerns of the public are: the affiliation will limit care currently provided or limit patients' choice; the parties to the affiliation will change or abandon their missions/identities; reconciliation of pro-life and pro-choice philosophies, potential violations of ethical and religious directives (ERDs), and lack of oversight and power of the Bishop; potential loss of local control of CMC; potential for funds to be diverted from

Manchester which will either disadvantage CMC economically or be in contradiction with Catholic principles; and that the affiliation is really a merger and will have similar results to the experience with Optima. These and other public concerns were discussed by the Boards.

The proposed amendments to the Affiliation Agreement expand or clarify either specific language or specific intent of the Affiliation Agreement authors and organizations. Trustees from both D-H and CMC, and the organizations' leaders and management, met to address proposed amendments to the Affiliation Agreement and PSA. The amendments include a written acknowledgment by the Trustees who will serve on the CMCHS board not to actively oppose Catholic doctrine and the ERDs.

Mr. Castaldo clarified that DHC Board approval of the PSA will most likely occur in the March or April time frame, when all of the operating details and facts of the services and assets being leased at fair market value will be available. Approval of the PSA by the DHC Board must then be ratified by the D-H Health Board of Trustees.

Finally, the Boards acknowledged the efforts of the public in giving all this input and the D-H leadership in listening carefully to that input and formulating, in concert with the CMC leadership, appropriate amendments to respond thoughtfully and comprehensively.

5. D-H Health/CMC Transaction Update – Acceptance of Final Due Diligence Report

The D-H Due Diligence process of CMC operations and issues allowed an exchange of information between D-H and CMC related to the following areas and was facilitated by several referenced independent consultants:

- Legal matters – Hinckley, Allen & Snyder
- Actuarial assessment of employee benefit issues with a focus on pension – Watson Wyatt & Co.
- Financial matters – KPMG
- Special tax matters and controlled group analysis – Sutherland, Asbill & Brennan
- Insurance coverage review – InterContinental Risk Management Consulting

Dr. Colacchio, Mr. Jantzen and Mr. Castaldo reviewed the due diligence processes with the Boards and the several conclusions that were reached as a result thereof. The Boards discussed the conclusions and agreed with them, as follows: there are no matters which present significant impediments to the proposed Affiliation or which could threaten the achievement of the goal of D-H to improve the health of the population in Manchester and regionally.

6. D-H Health/CMC Transaction Update – Conflict of Interest

Mr. Mike Delucia, Director of NH Charitable Trusts, has requested that the individual members of the Boards of Trustees of DHC, MHMH and D-H Health confirm that none of them have a financial conflict of interest with CMC and/or any of the individual trustees of CMC. Mr. Castaldo will request email confirmation regarding this matter from each Trustee within the next week.

7. Votes of the MHMH and DHC Boards of Trustees

After due consideration of these issues, and reminded by the intent of the Affiliation to enhance the goals of all entities involved to improve population health and better serve their communities, it was unanimously VOTED to approve the resolutions in Attachment 1 (MHMH vote) and Attachment 2 (DHC vote).

The MHMH and DHC Board of Trustees VOTED unanimously to approve the following motions:

- The Trustees instruct the Trustees who overlap with the D-H Health Board of Trustees to vote in approval of accepting and filing the amendments to the Affiliation Agreement with the Director of NH Charitable Trusts when the D-H Health Board of Trustees meeting convenes. Refer to the D-H Health Board of Trustee minutes of December 17, 2009.
- To suspend the D-H Boards of Trustees meeting to allow for the D-H Health Board of Trustees meeting to convene

Whereupon, the meetings of the MHMH and DHC Boards of Trustees were suspended to allow the holding of a meeting of the D-H Health Board of Trustees to consider these same matters.

[REDACTED]

The meeting adjourned at 3:43 p.m.

A true record.

ATTEST:



Nancy A. Formella, Secretary

MARY HITCHCOCK MEMORIAL HOSPITAL

Resolutions of the MHMH Board of Trustees December 17, 2009

RESOLVED: To acknowledge the satisfactory results of the due diligence review completed by Dartmouth-Hitchcock Health ("D-H HEALTH") in fulfillment of the condition set forth in Section 4.4.3 of the Affiliation Agreement dated July 22, 2009 (the "Affiliation Agreement") between D-H HEALTH and CMC Healthcare System ("CMCHS"), subject only to a satisfactory update immediately prior to the Effective Date.

**FURTHER
RESOLVED:** Upon consideration of the public commentary to-date, to approve the First Amendment to the Affiliation Agreement with Dartmouth-Hitchcock Health in the form presented to the Board, and to support a vote by those trustees who serve as trustees of both Mary Hitchcock Memorial Hospital and D-H HEALTH to authorize D-H HEALTH to execute and deliver the First Amendment to the Affiliation Agreement, which amended agreement remains subject to the receipt of all applicable regulatory approvals.

**FURTHER
RESOLVED:** To authorize the filing by D-H HEALTH of the First Amendment to the Affiliation Agreement with the appropriate regulatory agencies for purposes of obtaining the requisite approvals.

DARTMOUTH-HITCHCOCK CLINIC

Resolutions of the DHC Board of Trustees December 17, 2009

RESOLVED: To acknowledge the satisfactory results of the due diligence review completed by Dartmouth-Hitchcock Health ("D-H HEALTH") in fulfillment of the condition set forth in Section 4.4.3 of the Affiliation Agreement dated July 22, 2009 (the "Affiliation Agreement") between D-H HEALTH and CMC Healthcare System ("CMCHS"), subject only to a satisfactory update immediately prior to the Effective Date.

**FURTHER
RESOLVED:** Upon consideration of the public commentary to-date, to approve the First Amendment to the Affiliation Agreement with Dartmouth-Hitchcock Health in the form presented to the Board, and to support a vote by those trustees who serve as trustees of both Dartmouth-Hitchcock Clinic and D-H HEALTH to authorize D-H HEALTH to execute and deliver the First Amendment to the Affiliation Agreement, which amended agreement remains subject to the receipt of all applicable regulatory approvals.

**FURTHER
RESOLVED:** To authorize the filing by D-H HEALTH of the First Amendment to the Affiliation Agreement with the appropriate regulatory agencies for purposes of obtaining the requisite approvals.

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Mr. Castaldo clarified that DHC Board approval of the PSA will most likely occur in the March or April time frame, when all of the operating details and facts of the services and assets being leased at fair market value will be available. Approval of the PSA by the DHC Board must then be ratified by the D-H Health Board of Trustees.

Finally, the Boards acknowledged the efforts of the public in giving all this input and the D-H leadership in listening carefully to that input and formulating, in concert with the CMC leadership, appropriate amendments to respond thoughtfully and comprehensively.

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Dr. Colacchio, Mr. Jantzen and Mr. Castaldo reviewed the due diligence processes with the Boards and the several conclusions that were reached as a result thereof. The Boards discussed the conclusions and agreed with them, as follows: there are no matters which present significant impediments to the proposed Affiliation or which could threaten the achievement of the goal of D-H to improve the health of the population in Manchester and regionally.

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Mr. Mike Delucia, Director of NH Charitable Trusts, has requested that the individual members of the Boards of Trustees of DHC, MHMH and D-H Health confirm that none of them have a financial conflict of interest with CMC and/or any of the individual trustees of CMC. Mr. Castaldo will request email confirmation regarding this matter from each Trustee within the next week.

7. Votes of the MHMH and DHC Boards of Trustees

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The MHMH and DHC Board of Trustees **VOTED** unanimously to approve the following motions:

- The Trustees instruct the Trustees who overlap with the D-H Health Board of Trustees to vote in approval of accepting and filing the amendments to the Affiliation Agreement with the Director of NH Charitable Trusts when the D-H Health Board of Trustees meeting convenes. Refer to the D-H Health Board of Trustee minutes of December 17, 2009.
- To suspend the D-H Boards of Trustees meeting to allow for the D-H Health Board of Trustees meeting to convene

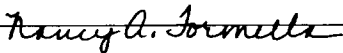
Whereupon, the meetings of the MHMH and DHC Boards of Trustees were suspended to allow the holding of a meeting of the D-H Health Board of Trustees to consider these same matters.

[REDACTED]

The meeting adjourned at 3:43 p.m.

A true record.

ATTEST:



Nancy A. Formella, Secretary

MARY HITCHCOCK MEMORIAL HOSPITAL

Resolutions of the MHMH Board of Trustees December 17, 2009

RESOLVED: To acknowledge the satisfactory results of the due diligence review completed by Dartmouth-Hitchcock Health ("D-H HEALTH") in fulfillment of the condition set forth in Section 4.4.3 of the Affiliation Agreement dated July 22, 2009 (the "Affiliation Agreement") between D-H HEALTH and CMC Healthcare System ("CMCHS"), subject only to a satisfactory update immediately prior to the Effective Date.

**FURTHER
RESOLVED:** Upon consideration of the public commentary to-date, to approve the First Amendment to the Affiliation Agreement with Dartmouth-Hitchcock Health in the form presented to the Board, and to support a vote by those trustees who serve as trustees of both Mary Hitchcock Memorial Hospital and D-H HEALTH to authorize D-H HEALTH to execute and deliver the First Amendment to the Affiliation Agreement, which amended agreement remains subject to the receipt of all applicable regulatory approvals.

**FURTHER
RESOLVED:** To authorize the filing by D-H HEALTH of the First Amendment to the Affiliation Agreement with the appropriate regulatory agencies for purposes of obtaining the requisite approvals.

DARTMOUTH-HITCHCOCK CLINIC

Resolutions of the DHC Board of Trustees December 17, 2009

RESOLVED: To acknowledge the satisfactory results of the due diligence review completed by Dartmouth-Hitchcock Health (“D-H HEALTH”) in fulfillment of the condition set forth in Section 4.4.3 of the Affiliation Agreement dated July 22, 2009 (the “Affiliation Agreement”) between D-H HEALTH and CMC Healthcare System (“CMCHS”), subject only to a satisfactory update immediately prior to the Effective Date.

**FURTHER
RESOLVED:** Upon consideration of the public commentary to-date, to approve the First Amendment to the Affiliation Agreement with Dartmouth-Hitchcock Health in the form presented to the Board, and to support a vote by those trustees who serve as trustees of both Dartmouth-Hitchcock Clinic and D-H HEALTH to authorize D-H HEALTH to execute and deliver the First Amendment to the Affiliation Agreement, which amended agreement remains subject to the receipt of all applicable regulatory approvals.

**FURTHER
RESOLVED:** To authorize the filing by D-H HEALTH of the First Amendment to the Affiliation Agreement with the appropriate regulatory agencies for purposes of obtaining the requisite approvals.