

## CMC Healthcare System and Dartmouth-Hitchcock Health Announce Filing of Affiliation Agreement with Attorney General's Office

July 22, 2009

As the next step in their proposed affiliation, CMC Healthcare System (CMCHS) and Dartmouth-Hitchcock Health (DHH) announced today that they have filed an affiliation agreement with the New Hampshire Attorney General's Office for antitrust and charitable trust review. This follows earlier conditional approvals by the Dartmouth-Hitchcock Health Board of Trustees, CMCHS Board and the Bishop of Manchester.

The affiliation agreement is subject to review by the state and the public pursuant to New Hampshire RSA 7:19-b (New Hampshire Director of Charitable Trusts under Change of Control provisions) and must receive state and federal antitrust approvals under state law and the Hart-Scott-Rodino Antitrust Improvements Act. Any final affiliation agreement is also subject to the review and final approval of the Bishop of Manchester. All of the information related to the filing can be found on this site.

"On behalf of CMCHS, I'm tremendously pleased that we've created a structure that, first and foremost, affirms our Catholic identity and advances the charitable mission of both organizations to provide quality care to a broad and diverse patient base, including those most in need," says Alyson Pitman Giles, FACHE, President and CEO of CMC. "Clinical and strategic planning initiatives and decisions will originate at the local level where there is direct experience and interaction with the patient and community base that can be positively impacted," she added.

"This affiliation is a definitive step for Dartmouth-Hitchcock toward realizing our vision of creating the healthiest population possible in the communities we serve, improving access to high quality care, and addressing unmet health needs in the Manchester community," said Thomas Colacchio, M.D., President pro tempore, Dartmouth-Hitchcock Health. "CMC and Dartmouth-Hitchcock have worked cooperatively in the Manchester community for over five years, and we look forward to continuing to deliver efficient and integrated care through this important affiliation."

"I have reviewed documents submitted to me concerning the proposed affiliation between CMC Healthcare System, and Dartmouth-Hitchcock Health," says Bishop John B. McCormack. "In preparation for making my own assessment and decision about the affiliation, I have asked two independent ethicists to review this proposed affiliation and continue to consult broadly with interested persons. I have given conditional approval that allows CMCHS to take the next step in conjunction with Dartmouth-Hitchcock Health of filing necessary documentation with the New Hampshire Attorney General's Office and other regulators, whose approval also is required."

The common guiding principles at the heart of the affiliation include:

- A commitment to the health care needs of the community
- A commitment to quality, effective and efficient services through integration
- Furtherance of both institutions' charitable missions
- The promotion of collaborative and open relationships

The proposed affiliation will involve two components: the integration of the DHC Manchester-based physician practice group services with the services of Catholic Medical Center (CMC) under its parent company, CMCHS, and the integration of CMCHS into a regional system with DHH. CMCHS will coordinate the delivery of these integrated services in the Manchester area (the "Manchester System") and will enter into an expanded professional services agreement and facilities lease with the current Dartmouth-Hitchcock Clinic Manchester physicians through Alliance Health Services, another CMCHS subsidiary.

The leased multi-specialty physician services will be subject to the Ethical and Religious Directives (ERDs) for Catholic healthcare services set out by the United States Conference of Catholic Bishops. Any DHC programs or services currently offered in Manchester but inconsistent with the ERDs will not be leased, and therefore they will not be governed or managed by, or fiscally related to, the proposed Manchester System. In this way, both CMCHS and DHC will operate in a manner consistent with their respective charitable missions and neither organization will be required to take any action that may impair or jeopardize its tax-exempt or public charity status under federal income tax or charitable trust laws.

Regarding the regional system, DHH will become the sole member of CMCHS, exercising certain reserved powers, most of which would be exercised concurrently with the bishop's reserved powers regarding CMCHS. As a result, the proposed affiliation will allow CMC to collaborate directly with the 120 Manchester-based DHC physicians and enable the Manchester System to coordinate and enhance its healthcare delivery within a larger regional network.

"For the past several months, I've been personally briefed with regard to the proposed affiliation and the positive impact this will have on health care in Manchester and beyond," says Joseph B. Reilly, President/CEO, Centrix Bank. "Catholic Medical Center, along with their colleagues at Dartmouth-Hitchcock, has conducted a tremendous amount of outreach around this affiliation agreement, to ensure both organizations have a secure place in the community to provide quality health care for generations to come."

"Our mutual goal of providing services and support to the greater Manchester community through clinical excellence and collaboration is a cornerstone to our mission, vision and goals. We remain clear with one focus: the ultimate health and well-being of the patients who seek our care," says Steven Paris, M.D., Medical Director of Dartmouth-Hitchcock Manchester.

Over the next four months, representatives of CMCHS and DHH will host community forums that will provide the public with an opportunity for input.

---

Media Contacts:

Gail Winslow-Pine, Catholic Medical Center; (603) 663-6054

Jodi Stewart, Dartmouth-Hitchcock; (603) 629-1859

Jason Aldous, Dartmouth Hitchcock Medical Center; (603) 653-1913