

INTEGRATION AGREEMENT BETWEEN LITTLETON REGIONAL HEALTHCARE AND DARTMOUTH HEALTH

Executive Summary¹

The Parties to the Integration Agreement (the “Agreement”) are Littleton Hospital Association, Inc. d/b/a Littleton Regional Healthcare (“LRH”) and Dartmouth Health (“DH”) (together, the “Parties”). This document sets forth an Executive Summary of the terms of the Agreement, which have been informed by, among other things, community input provided at the public listening session, and which have been approved by the Parties’ respective Boards of Trustees.

Purpose and Vision, Guiding Principles

Acknowledging their compatible missions and cultures, the Parties envision working together to create an integrated academic health care delivery system that will meet the physical and mental health care needs of the communities they serve. The Parties will utilize their combined resources to expand access to care, improve quality and outcomes, control costs, and deliver greater value to the communities served by LRH. This relationship will enable LRH to offer its patients access to an appropriate level of care close to home while also offering increased access to the clinical services offered at Dartmouth-Hitchcock Medical Center (“DHMC”), New Hampshire’s only academic medical center. LRH and DH share a long history of collaboration and they believe that full integration of their clinical, financial, governance and administrative resources will promote efficient, effective and sustainable health care delivery in the greater Littleton region.

In their efforts to achieve these objectives the Parties will be guided by certain principles, including a commitment to: 1) a patient-centered culture; 2) the physical and mental health care needs of the communities they serve; 3) ensuring that patients receive the highest quality care at the most cost-effective and convenient site of service; and 4) their respective charitable purposes and applicable charitable and tax-exempt requirements.

Corporate and Governance Structure

Acknowledging that LRH and DH need to be tightly integrated to accomplish their purposes and realize their mutual vision, LRH will become a member of the DH System. This means that DH will become the supporting organization of LRH, but LRH will retain its separate legal identity and, with certain limited exceptions, will retain ownership of and responsibility for its assets and liabilities.

¹ This Executive Summary is a high-level overview of the terms and conditions of the Integration Agreement and it is not, nor is it intended to be, a substitute for the actual terms and conditions contained therein.

The LRH Board of Trustees will remain intact and hold certain “retained powers” over matters traditionally within the purview of the governing body of a health care charitable trust, including identifying the health care needs of the communities served by LRH, ensuring the quality and proper delivery of care to patients, and management of the overall operation and fiscal viability of the hospital. In order to balance the need of the DH System to ensure alignment of its members’ charitable purposes and strategic goals, the DH Board of Trustees will hold certain “reserved powers” over the actions of LRH, including among others, the appointment and approval of members of the LRH Board of Trustees, approval of LRH operating and capital budgets and incurrence of material debt, and approval of LRH’s material governance, strategic, programmatic, and corporate decisions.

Financial Matters

LRH will become fully integrated with DH revenue cycle, financial planning, financial management, supply chain, cost accounting, and treasury. DH and LRH intend to operate LRH as a high quality, high performing member of the DH System. LRH will work with the System Board to ensure sound financial practices and the System Board will monitor LRH’s ongoing financial performance in accordance with established DH financial management principles.

Following the closing date, LRH and DH, by and through their respective Chief Financial Officers, will begin the administrative process required for LRH to join the Dartmouth-Hitchcock Obligated Group (the “DHOG”) to take advantage of its high credit rating and greater debt capacity, subject to the DHOG’s covenants and obligations.

The Parties will develop capital project plans to address LRH capital needs, including the expansion of its emergency department to accommodate behavioral health patients. DH and LRH agree to work together in good faith to implement that capital project.

Philanthropy

LRH will retain ownership and control over its endowment funds, which consist of all donor-restricted assets reflected on LRH’s financial statements as restricted and all unrestricted donations received in connection with an LRH fundraising effort. The Parties will coordinate their efforts to attract philanthropic funds to support health care services in the LRH service area and academic and research programs at DHMC.

Clinical Program Development

Before closing the transaction, the Parties will form a Joint Affiliation Committee (“JAC”) comprised of approximately equal numbers of persons appointed by LRH and DH, respectively. The JAC will create an integration plan to, among other things, identify the clinical

services required to address the physical and mental health needs of the communities served by LRH, identify best evidence-based practices focused on access, quality and cost, integrate the Parties' electronic health records to enhance care coordination, and identify opportunities for cost savings to promote sustainability. The work product of the JAC will be the foundation for the Parties' post-closing integration efforts.

Information Technology

DH and LRH will develop a comprehensive plan for implementation of a shared EPIC platform to be available to LRH (the "IT Plan"). DH will finance seventy-five percent (75%) of the capital costs of the EPIC conversion and LRH will finance twenty-five percent (25%) of those costs. LRH will be expected to pay for the local hardware and connectivity expenses incurred in implementing the shared IT system. The Parties will develop an implementation timeline, including a schedule for education and training, to accomplish the IT Plan implementation.

Names and Branding

The Parties will develop a branding strategy that honors the history and tradition of high-quality care represented by LRH while recognizing the value of the linkage to the DH System.

Closing

The closing of the transaction is conditioned upon, among other things, satisfactory completion of each Party's due diligence, receipt of all applicable regulatory approvals and/or clearance, and the approval by the Parties' respective Board of Trustees of any modifications to the Agreement as a result of the regulatory review.

The transaction will close within thirty (30) days of the satisfaction of the closing conditions, with the "Outside Date" to be determined.

Miscellaneous

Miscellaneous provisions include applicable legal principles, joint public communications, and satisfactory completion of comprehensive due diligence as a condition to closing.