

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2022

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the **2022** calendar year, or tax year beginning **OCT 1, 2022** and ending **SEP 30, 2023**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Concord Hospital - Laconia		D Employer identification number 85-1443782
	Doing business as		E Telephone number (603) 228-4677
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	250 Pleasant Street		G Gross receipts \$ 139,895,649.
	City or town, state or province, country, and ZIP or foreign postal code Concord, NH 03301-7559		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
F Name and address of principal officer: Robert P. Steigmeyer same as C above		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		If "No," attach a list. See instructions	
J Website: https://concordhospital-laconia.org/		H(c) Group exemption number	
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation: 2020	M State of legal domicile: NH

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: Hospital
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	3 Number of voting members of the governing body (Part VI, line 1a) 3
	4 Number of independent voting members of the governing body (Part VI, line 1b) 4
	5 Total number of individuals employed in calendar year 2022 (Part V, line 2a) 1136
	6 Total number of volunteers (estimate if necessary) 7
	7a Total unrelated business revenue from Part VIII, column (C), line 12 21,900.
7b Net unrelated business taxable income from Form 990-T, Part I, line 11 20,900.	
Revenue	8 Contributions and grants (Part VIII, line 1h) 2,298,980.
	9 Program service revenue (Part VIII, line 2g) 141,094,010.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 156,528.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 79,365.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 143,628,883.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 250.
	14 Benefits paid to or for members (Part IX, column (A), line 4) 0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 94,578,601.
	16a Professional fundraising fees (Part IX, column (A), line 11e) 0.
	b Total fundraising expenses (Part IX, column (D), line 25) 277,348.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 59,448,545.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 154,027,396.
19 Revenue less expenses. Subtract line 18 from line 12 -10,398,513.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 62,507,843.
	21 Total liabilities (Part X, line 26) 24,511,070.
	22 Net assets or fund balances. Subtract line 21 from line 20 37,996,773.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date			
	Scott Sloane, Senior VP, CFO, & Treasurer				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Connor Smart	Connor Smart	06/20/24		P02285543
Paid Preparer Use Only	Firm's name	Firm's EIN			
	Baker Newman & Noyes	01-0494526			
Paid Preparer Use Only	Firm's address	Phone no.			
	P.O. Box 507 Portland, ME 04112	(207) 879-2100			

May the IRS discuss this return with the preparer shown above? See instructions Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: CH-Laconia is a charitable organization which exists to meet the health needs of individuals within the communities it serves.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 126,308,733. including grants of \$ 284.) (Revenue \$ 137,128,144.) Various hospital services; see Schedule H.

In FYE 2023, CH-L invested over \$20 million in community benefit programs, services, and other expenses. The largest areas of support were charitable care services and subsidized programs and services. Our investment enhances the Hospital's ability to provide quality patient care, respond to identified community health needs and address the Hospital's charitable mission overall.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 126,308,733.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i> See instructions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19?	X	

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No columns. Includes questions 2a through 17 regarding employee reporting, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.	6	
1b	Enter the number of voting members included on line 1a, above, who are independent	5	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	a The governing body?	X	
8b	b Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
10b	b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	a The organization's CEO, Executive Director, or top management official		X
15b	b Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed NH
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records
Scott Sloane, Senior VP, CFO - (603) 227-7000
250 Pleasant Street, Concord, NH 03301-7539

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Robert P. Steigmeyer President & CEO, Member Ex-Officio	1.00 62.00	X		X				0.	1,440,673.	303,393.
(2) Matthew Gibb Chief Clinical Officer	1.00 51.00				X			0.	839,758.	116,011.
(3) Scott Sloane Senior VP, CFO, & Treasurer	1.00 62.00			X				0.	636,917.	143,367.
(4) Raza Shariff, MD Physician	50.00 0.00					X		115,046.	494,459.	65,621.
(5) Christopher Weinmann, MD Physician	50.00 0.00					X		105,664.	471,587.	37,503.
(6) Mary Bakken System Chief Operating Officer	1.00 51.00				X			0.	491,329.	46,540.
(7) Stephen Marshall, MD Physician	50.00 0.00					X		85,625.	374,944.	27,967.
(8) Kevin McCarthy Chief Administrative Officer	30.00 20.00				X			0.	386,613.	95,874.
(9) Julia Fiuk, MD Physician	50.00 0.00					X		85,851.	349,090.	39,672.
(10) Krista Hachey, MD Physician	50.00 0.00					X		84,241.	331,261.	17,015.
(11) Kevin Donovan Former Chief Admin Officer	0.00 0.00						X	0.	419,689.	6,598.
(12) Sol Asmar Trustee (end 1/2023)	1.00 6.00	X						0.	0.	0.
(13) Lucy Karl, Esq. Trustee (start 1/2023)	1.00 6.00	X						0.	0.	0.
(14) Robert Segal Trustee	1.00 7.00	X						0.	0.	0.
(15) Philip Emma Chair (end 1/2023)	1.00 7.00	X		X				0.	0.	0.
(16) Manisha Patel, DDS Chair	1.00 7.00	X		X				0.	0.	0.
(17) Charles Fanaras Vice Chair (start 1/2023)	1.00 7.00	X		X				0.	0.	0.

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	1,569,605.				
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f					
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			1,569,605.			
Program Service Revenue	2 a Patient services	Business Code					
		621400	128,499,265.	128,499,265.			
	b Disproportionate share funding	621400	6,782,124.	6,782,124.			
	c Hospital auxiliary services	621400	1,220,447.	1,220,447.			
	d Food services	722210	543,731.	543,731.			
	e Pharmacies	456110	75,829.	75,829.			
	f All other program service revenue						
g Total. Add lines 2a-2f			137,121,396.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		129,648.			129,648.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real				
			(ii) Personal	21,900.			
	b Less: rental expenses	6b		0.			
	c Rental income or (loss)	6c		21,900.			
	d Net rental income or (loss)			21,900.		21,900.	
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities				
			(ii) Other	6,942.			
	b Less: cost or other basis and sales expenses	7b		0.			
	c Gain or (loss)	7c		6,942.			
	d Net gain or (loss)			6,942.		6,942.	
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a						
b Less: direct expenses	8b						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a		15,107.				
b Less: cost of goods sold	10b		8,359.				
c Net income or (loss) from sales of inventory			6,748.	6,748.			
Miscellaneous Revenue	11 a _____	Business Code					
	b _____						
	c _____						
	d All other revenue	900099	1,031,051.			1,031,051.	
	e Total. Add lines 11a-11d			1,031,051.			
12 Total revenue. See instructions			139,887,290.	137,128,144.	21,900.	1,167,641.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	284.	284.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	71,875,517.	60,239,659.	11,526,485.	109,373.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,618,746.	1,356,663.	259,623.	2,460.
9 Other employee benefits	7,919,171.	6,637,017.	1,270,119.	12,035.
10 Payroll taxes	4,836,646.	4,053,568.	775,727.	7,351.
11 Fees for services (nonemployees):				
a Management	120,664.		120,664.	
b Legal	73,468.		73,468.	
c Accounting	26,497.		26,497.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	3,444.		3,444.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	19,660,125.	15,381,525.	4,195,464.	83,136.
12 Advertising and promotion	22,411.	19,264.	3,119.	28.
13 Office expenses	1,644,990.	1,414,044.	228,920.	2,026.
14 Information technology	525,518.	451,739.	73,132.	647.
15 Royalties				
16 Occupancy	5,473,743.	4,705,264.	761,737.	6,742.
17 Travel	282,196.	242,577.	39,271.	348.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	58,674.	50,437.	8,165.	72.
20 Interest	2,284.	1,532.	728.	24.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,639,283.	2,441,658.	1,159,087.	38,538.
23 Insurance	2,021,529.	1,737,719.	281,320.	2,490.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a Drugs/medical supplies	14,741,770.	12,672,118.	2,069,652.	
b Provision for bad debts	6,325,400.	6,325,400.		
c NH MET	5,865,004.	5,865,004.		
d Repairs/maintenance	2,800,695.	1,825,763.	964,126.	10,806.
e All other expenses	1,032,447.	887,498.	143,677.	1,272.
25 Total functional expenses. Add lines 1 through 24e	150,570,506.	126,308,733.	23,984,425.	277,348.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	8,134.	1	8,484.
	2 Savings and temporary cash investments	16,556,957.	2	81,093.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	23,073,753.	4	18,209,206.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	1,175,574.	8	1,386,655.
	9 Prepaid expenses and deferred charges	1,795,163.	9	2,261,607.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 35,732,015.		
	b Less: accumulated depreciation	10b 8,394,845.	10c	
	11 Investments - publicly traded securities	17,612,887.	11	27,337,170.
	12 Investments - other securities. See Part IV, line 11	2,260,375.	12	1,983,736.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	8,827,058.
	15 Other assets. See Part IV, line 11	25,000.	15	25,000.
16 Total assets. Add lines 1 through 15 (must equal line 33)	62,507,843.	16	60,120,009.	
Liabilities	17 Accounts payable and accrued expenses	6,814,671.	17	4,443,016.
	18 Grants payable		18	
	19 Deferred revenue	1,513,596.	19	66,216.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	16,182,803.	25	20,203,515.
	26 Total liabilities. Add lines 17 through 25	24,511,070.	26	24,712,747.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	35,716,397.	27	33,423,526.
	28 Net assets with donor restrictions	2,280,376.	28	1,983,736.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	37,996,773.	32	35,407,262.
33 Total liabilities and net assets/fund balances	62,507,843.	33	60,120,009.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	139,887,290.
2	Total expenses (must equal Part IX, column (A), line 25)	2	150,570,506.
3	Revenue less expenses. Subtract line 2 from line 1	3	-10,683,216.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	37,996,773.
5	Net unrealized gains (losses) on investments	5	188,987.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	7,904,718.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	35,407,262.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? _____	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____	X	

Form 990 (2022)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization **Concord Hospital - Laconia** Employer identification number **85-1443782**

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2022 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2021 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2022. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2021. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2022. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2021 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2022 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2021 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2022. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2021. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		
b A family member of a person described on line 11a above?		
c A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI .		
11a		
11b		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
1		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
1		
2		
3		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).			
2 Activities Test. Answer lines 2a and 2b below.		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
3 Parent of Supported Organizations. Answer lines 3a and 3b below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No" provide details in Part VI .			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.			
2a			
2b			
3a			
3b			

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). See instructions.
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2022 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2022	(iii) Distributable Amount for 2022
1 Distributable amount for 2022 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2022 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2022			
a From 2017			
b From 2018			
c From 2019			
d From 2020			
e From 2021			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2022 distributable amount			
i Carryover from 2017 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2022 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2022 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2023. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2018			
b Excess from 2019			
c Excess from 2020			
d Excess from 2021			
e Excess from 2022			

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information.

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Attach to Form 990 or Form 990-PF.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Name of the organization

Concord Hospital - Laconia

Employer identification number

85-1443782

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990) (2022)

Name of organization Concord Hospital - Laconia	Employer identification number 85-1443782
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/> <hr/>	\$ 1,569,605.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Concord Hospital - Laconia	Employer identification number 85-1443782
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization Concord Hospital - Laconia	Employer identification number 85-1443782
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE C
(Form 990)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2022

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
Complete if the organization is described below. Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for instructions and the latest information.

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (See separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (See separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization Concord Hospital - Laconia	Employer identification number 85-1443782
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political campaign activity expenditures \$ _____
- 3 Volunteer hours for political campaign activities _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b \$ _____
- 4 Did the filing organization file Form 1120-POL for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990) 2022

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grassroots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?	X		24,495.
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	
j Total. Add lines 1c through 1i			24,495.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditures next year?	4	
5 Taxable amount of lobbying and political expenditures. See instructions	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (See instructions); and Part II-B, line 1. Also, complete this part for any additional information.

Part II-B, Line 1, Lobbying Activities:

Concord Hospital - Laconia ("CH-L") was a member of the American Hospital Association & the New Hampshire Hospital Association in the fiscal year ended 9/30/2023. A portion of the dues paid to these organizations were available for lobbying expenditures on behalf of CH-L and the other member organizations in furtherance of their exempt

Part IV Supplemental Information *(continued)*

purposes. The portion of the dues used for lobbying by the American Hospital Association and the New Hampshire Hospital Association were \$8,746 and \$15,749, respectively.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization **Concord Hospital - Laconia** Employer identification number **85-1443782**

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (for example, recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after July 25, 2006, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year _____

4 Number of states where property subject to conservation easement is located _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 \$ _____

(ii) Assets included in Form 990, Part X \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 \$ _____

b Assets included in Form 990, Part X \$ _____

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2022

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	2,280,376.	1,967,767.			
b Contributions	300,168.	589,241.	1,967,767.		
c Net investment earnings, gains, and losses	-50,397.	-236,590.			
d Grants or scholarships					
e Other expenditures for facilities and programs	542,966.	35,925.			
f Administrative expenses	3,444.	4,117.			
g End of year balance	1,983,737.	2,280,376.	1,967,767.		

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment 0.0000 %
 - b Permanent endowment 99.8200 %
 - c Term endowment 0.1800 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|-----------------------------|--------------------------|-------------------------------------|
| (i) Unrelated organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) Related organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		650,000.		650,000.
b Buildings		8,865,997.	2,121,374.	6,744,623.
c Leasehold improvements				
d Equipment		25,516,821.	6,273,471.	19,243,350.
e Other		699,197.		699,197.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				27,337,170.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Due to affiliates	6,837,574.
(3) Third-party settlements and	
(4) Medicare liabilities	4,478,399.
(5) Operating lease liabilities	8,887,542.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	20,203,515.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII...

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b		4c
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b		4c
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part V, line 4:

On May 1, 2021, Concord Hospital, Inc., the sole member of Concord Hospital - Laconia, acquired certain assets of LRGHealthcare, which included the hospitals that became Concord Hospital - Laconia and Concord Hospital - Franklin, and their ambulatory sites. As part of this acquisition, Concord Hospital, Inc. also acquired LRGHealthcare's existing endowments, which were subsequently divided and allocated to the two new hospital-entities.

The majority of the funds received by Concord Hospital - Laconia as part of the acquisition of LRGHealthcare are restricted for the use of providing discounted and/or free medical care. Concord Hospital -

Part XIII Supplemental Information (continued)

Laconia's Board also has the ability to designate and set aside unrestricted endowment funds to be used for general hospital and healthcare operations as the Board sees fit and for the furtherance of Concord Hospital - Laconia's mission.

Part X, Line 2:

The Hospital, CH-Laconia, CH-Franklin, CRHCDC, CRHVC, and the Trust are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. NHC was organized as a single member limited liability company and has elected to be treated as a disregarded entity for federal and state income tax reporting purposes. Accordingly, all income or losses and applicable tax credits are reported on the member's income tax returns, with the exception of taxes due to the State of New Hampshire. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. GSIE, CHIG, NHC, CH-ACO, CEC and CRHSC account for income taxes in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. FASB ASC 740 is an asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the tax and financial reporting basis of certain assets and liabilities. Resulting income tax expense and the temporary differences between the tax and financial reporting basis are not material.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

Complete if the organization answered "Yes" on Form 990, Part IV, question 20a.
Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization Concord Hospital - Laconia	Employer identification number 85-1443782
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Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year: <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>225</u> %		
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>500</u> %		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)	2	797	1,078,033.		1,078,033.	.75%
b Medicaid (from Worksheet 3, column a)			19,616,232.	14,139,870.	5,476,362.	3.80%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs	2	797	20,694,265.	14,139,870.	6,554,395.	4.55%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	2	819	134,068.		134,068.	.09%
f Health professions education (from Worksheet 5)	2	138	307,852.	129,769.	178,083.	.12%
g Subsidized health services (from Worksheet 6)	7	93,947	21,597,741.	8,259,413.	13,338,328.	9.25%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	2		427,566.		427,566.	.30%
j Total. Other Benefits	13	94,904	22,467,227.	8,389,182.	14,078,045.	9.76%
k Total. Add lines 7d and 7j	15	95,701	43,161,492.	22,529,052.	20,632,440.	14.31%

Part II Community Building Activities. Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	2		40,542.		40,542.	.03%
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total	2		40,542.		40,542.	.03%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	X	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	63,577,501.
6	Enter Medicare allowable costs of care relating to payments on line 5	72,560,344.
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	-8,982,843.
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other	

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	X	
9b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	X	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest - see instructions)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility):

1 Concord Hospital - Laconia
80 Highland Street
Laconia, NH 03246
https://concordhospital-laconia.org/
04500

Table with 8 columns: Licensed hospital, Gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1 contains 'X' marks in the first three and sixth columns.

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group: Concord Hospital - Laconia

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 22</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	X	
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>See Part V, Section C</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>See Part V, Section C</u>		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 22</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>See Part V, Section C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group: Concord Hospital - Laconia

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>225</u> % and FPG family income limit for eligibility for discounted care of <u>500</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input checked="" type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input checked="" type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Section C</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Section C</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Section C</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input checked="" type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group: Concord Hospital - Laconia

	Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e <input checked="" type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	21	X	
If "No," indicate why:			
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
b <input type="checkbox"/> The hospital facility's policy was not in writing			
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d <input type="checkbox"/> Other (describe in Section C)			

Part V Facility Information *(continued)*

Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)

Name of hospital facility or letter of facility reporting group: Concord Hospital - Laconia

		Yes	No
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care:		
	a <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
	b <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
	c <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method			
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	23	X
	If "Yes," explain in Section C.		
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	24	X
	If "Yes," explain in Section C.		

Schedule H (Form 990) 2022

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Concord Hospital - Laconia:

Part V, Section B, Line 5: See the narrative for Schedule H, Part VI, line 2.

Concord Hospital - Laconia:

Part V, Section B, Line 6a: The most recent CHNA was conducted with the other hospitals within the Concord Hospital System, which includes Concord Hospital, Inc., Concord Hospital - Franklin, and Concord Hospital - Laconia.

Concord Hospital - Laconia:

Part V, Section B, Line 6b: The Hospital's most recently published CHNA was prepared by New Hampshire Community Health Institute/JSI. The Community Health Institute/JSI was founded in 1978 and the New Hampshire office is located in Bow, NH. The Community Health Institute/JSI serves clients globally as a resource that collaborates with government agencies, the private sector, and local nonprofit and civil society organizations to identify and implement solutions to public health and health care challenges. In New Hampshire, the New Hampshire Community Health Institute/JSI supports hospitals and other non-profit organizations to conduct Community Health Needs Assessments and develop Implementation Strategies to address significant health needs.

Additionally, for this community health needs assessment, Concord Hospital

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

received input from a Community Collaborative of representatives from local organizations. These local organizations include Community Action Program Belknap-Merrimack Counties, Foundation for Healthy Communities, Granite United Way - Capital Area Public Health Network, Granite VNA, HealthFirst, Lakes Region Mental Health Center, NH Department of Health and Human Services, Partnership for Public Health, and Riverbend Community Mental Health.

Concord Hospital - Laconia:

Part V, Section B, Line 7d: The Hospital's 2023 Health Needs Assessments is on the Hospital's website at:

<https://www.concordhospital.org/about-us/charitable-achievements-and-health-needs-assessment/>

The website also provides instructions on how to obtain a printed copy.

Concord Hospital - Laconia:

Part V, Section B, Line 11: The fiscal year beginning October 1, 2022, Form NHCT-31, Community Benefits Plan Report, can be found at the Hospital facility's website:

<https://www.concordhospital.org/app/files/public/f6b360af-3f09-42ec-8ac5-36020e5c9ea8/2023CommunityBenefitsPlanReportLaconia.pdf>

As of the date of this return's filing, the Hospital's most recently

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

published Community Health Improvement Plan may be found on the Hospital facility's website at:

<https://www.concordhospital.org/app/files/public/7284ad7a-196f-4379-856a-ba20ed2b2b96/2024-26CHCHIP.pdf>

Concord Hospital - Laconia:

Part V, Section B, Line 16j: The Hospital includes information about charitable care services in many publications that go to the community. In addition, we collaborate with many community organizations that support vulnerable populations, including low-income individuals and families; our financial assistance program is well understood by those agencies who often refer people to the program. The Hospital's Financial Assistance Policy is available online in English, and is able to be translated to other languages on the Concord Hospital, Inc. and Concord Hospital - Laconia websites.

Concord Hospital - Laconia:

Part V, Section B, Line 20e: Concord Hospital-Laconia follows Concord Hospital, Inc.'s financial, billing, and collection policies. Concord Hospital is a charitable organization which exists to meet the health needs of individuals within the community it serves. It is the established policy of Concord Hospital to provide services on the sole basis of the medical necessity of such services as determined by the medical staff without reference to race, color, ethnicity, national origin, sexual orientation, marital status, religion, age, gender, disability, or

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

inability to pay for such services. As such, patients requiring urgent or emergent services shall not be denied those services based on ability to pay.

Concord Hospital has a generous financial assistance program. Individuals who cannot afford to pay for their medical care are encouraged to apply for financial assistance. Financial assistance is available to individuals who are uninsured and for those individuals who have insurance, but cannot afford their out-of-pocket costs such as co-payments, co-insurance, and deductibles.

In addition to the efforts taken as indicated in Schedule H, Part V, Lines 20a through 20c, the Hospital also takes additional measures to ensure that patients eligible for financial assistance do not have an Extraordinary Collection Action (ECA) levied against them. Each month, Concord Hospital reviews accounts prelisted for bad debt for potential referral to a collection attorney. Concurrent to referring the account(s) to the collection attorney, the manager of customer service or designee will provide the financial assistance supervisor a copy of the list of individuals and accounts to be referred. The financial assistance supervisor or designee will attempt to orally notify each responsible party of the availability of financial assistance and the application process. The financial assistance supervisor or designee will record in account notes the date and outcome of the call. Concurrent to referring the account(s) to a collection attorney, the manager of customer service or designee will send a written notice to the responsible party. This notice will include the following information:

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

- Statement that account(s) are being placed with collection attorney
- Statement of the ECA(s) that may be initiated
- Deadline that the ECA(s) may be initiated, which will be no sooner than 120 days passed the mailing date of the first statement or 30 days passed the mailing date of the initiation notice, whichever is later
- Statement that financial assistance is available and where to find the financial assistance policy and application.

The manager of customer service or designee will record in account notes the date the notice was mailed. He or she will also send a copy of the notice to be scanned to the patient's account(s).

Prior to engaging in any legal or collection action, the collection attorney must receive written approval from the manager of customer service or director of patient financial services. These individuals may only authorize legal action if all of the following conditions are met:

- The collection attorney has no reason to believe the responsible party is unable to pay the debt.
- AND at least 120 days have passed since the mailing date of the first statement
- AND at least 30 days have passed since the mailing date of the initiation notice
- AND account notes indicate that CH has made at least one attempt to orally notify the individual about the financial assistance policy.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Schedule H, Part V, Section B, Line 16a-c:

The Hospital's Financial Assistance Policy, Application, and Plain Language Summary can be found online at:

Financial Assistance Policy:

<https://www.concordhospital.org/app/files/public/2d417ffa-2ff1-4b62-bc42-0e382158c9ad/Financial-Assistance-Policy.pdf>

Financial Assistance Application:

<https://www.concordhospital.org/app/files/public/f3479f85-0e7e-4118-9180-93170a02643c/Financial-Assistance-Application.pdf>

Plain Language Summary:

<https://www.concordhospital.org/app/files/public/eab7d7b2-fdc7-471c-b1f3-dbd157ca5231/Plain%20Language%20Summary%20of%20Financial%20Assistance%20Policy.pdf>

You can also visit Concord Hospital's Patient Financial Services page at the URL below, and select the link to the Financial Assistance Policy, Financial Assistance Application, or the Plain Language Summary on the right.

<https://www.concordhospital.org/patients-visitors/billing-insurance-financial-assistance/financial-assistance-plain-language-summary/>

Schedule H, Part V, Section B, Line 7a-10:

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

In 2023, Concord Hospital conducted a system-wide health needs assessment to include Concord Hospital - Concord, Concord Hospital - Laconia and Concord Hospital - Franklin. The results and the corresponding 2024-2026 Community Health Improvement Plan have been approved by the Board and are available on the Concord Hospital website at:

<https://www.concordhospital.org/about-us/charitable-achievements-and-health-needs-assessment/>

Concord Hospital-Laconia prepared a community benefit report during the tax year and made that available to the public on the Hospital's website at:

<https://www.concordhospital.org/app/files/public/f6b360af-3f09-42ec-8ac5-36020e5c9ea8/2023CommunityBenefitsPlanReportLaconia.pdf>

It is also available on the State of New Hampshire's Department of Justice, Office of the Attorney General, Charitable Trusts Unit website at:

<https://www.doj.nh.gov/charitable-trusts/community-benefits-2023.htm>

The fiscal year beginning October 1, 2022, Form NHCT-31, Community Benefits Plan Report, can be found at the Hospital facility's website:

<https://www.concordhospital.org/app/files/public/f6b360af-3f09-42ec-8ac5-36020e5c9ea8/2023CommunityBenefitsPlanReportLaconia.pdf>

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

As of the date of this return's filing, the Hospital's most recently published Community Health Improvement Plan may be found on the Hospital facility's website at:

<https://www.concordhospital.org/app/files/public/7284ad7a-196f-4379-856a-ba20ed2b2b96/2024-26CHCHIP.pdf>

Part V Facility Information (continued)**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 22

Name and address	Type of facility (describe)
1 CHL Primary Care - Meredith 238 Daniel Webster Highway Meredith, NH 03253-5803	Outpatient services
2 CHL Internal Medicine - 724 N Main St 724N Main Street Laconia, NH 03246-2742	Outpatient services
3 CHL General Surgery - Laconia 85 Spring Street Laconia, NH 03246-3113	Surgical services
4 CHL Obstetrics and Gynecology - Lacon 734N Main Street Laconia, NH 03246-2777	Outpatient services
5 CHL General Surgery - Gilford 25 Country Club Road, Unit 702 Gilford, NH 03249-6932	Surgical services
6 CHL Pulmonary and Critical Care Medic 85 Spring Street Laconia, NH 03246-3113	Outpatient services
7 CHL Urologic Institute - Laconia 724N Main Street Laconia, NH 03246-2742	Urology services
8 CHL Pediatrics - Belmont 8 Corporate Drive Belmont, NH 03220-3103	Pediatrics
9 CHL Primary Care - Gilford 14 Maple Street Gilford, NH 03249-6578	Outpatient services
10 CHL Primary Care - Belmont 8 Corporate Drive Belmont, NH 03220-3103	Outpatient services

Schedule H (Form 990) 2022

Part V Facility Information (continued)

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 22

Name and address	Type of facility (describe)
11 CHL Neurology - Laconia 724N Main Street Laconia, NH 03246-2742	Outpatient services
12 CHL Sleep Center - Gilford 14 Maple Street 200 Gilford, NH 03249-6580	Outpatient services
13 CHL Primary Care - Laconia 85 Spring Street Laconia, NH 03246-3113	Outpatient services
14 CHL Wound Healing - Laconia 85 Spring Street Laconia, NH 03246-3113	Outpatient services
15 CHL Recovery Clinic - Gilford 14 Maple Street Gilford, NH 03249-6580	Recovery services
16 CHL Endocrinology - Laconia 724N Main Street Laconia, NH 03246-2742	Outpatient services
17 CHL Dental Center - Laconia 29 Elliot Street Laconia, NH 03246-3235	Outpatient services
18 CHL Podiatry - Laconia 724N Main Street Laconia, NH 03246-2742	Outpatient services
19 CHL Occupational/EE Health - Gilford 14 Maple Street, Suite 120 Gilford, NH 03249-6578	Outpatient services
20 Lab at CH Primary - Meredith 238 Daniel Webster Highway Meredith, NH 03253-5803	Outpatient laboratory services

Schedule H (Form 990) 2022

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 22

Name and address	Type of facility (describe)
21 CHL Orthopedics - Laconia 80 Highland Street Laconia, NH 03246-3246	Outpatient services
22 CHL Weight Institute of NH - Laconia 85 Spring Street, Suite 502 Laconia, NH 03246-3113	Outpatient services (closed)

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8, and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (for example, open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I, Line 7:

Subsidized Health Services represents those activities that assure access to medical care and support for people with special medical needs and those who may be faced with chronic health conditions. Many of these activities also ensure access to needed health services, which might otherwise not be available without subsidization.

Part I, Line 7, Column (f):

The Bad Debt expense included on Form 990, Part IX, Line 25(A), but subtracted for purposes of calculating the percentage in this column is \$ 6,325,400.

Part II, Community Building Activities:

In 2023, Concord Hospital-Laconia's Community Building Activities focused on emergency preparedness.

Concord Hospital-Laconia continued to support community building activities through organizational and employee involvement with Granite

Part VI Supplemental Information (Continuation)

United Way, Lakes Region Community Services, Winnepesaukee Public Health Network and recycling/environmental service programs. Concord Hospital-Laconia works with community partners to stay abreast on the status of current health concerns.

Part III, Line 2:

The amount reported on Part III, Line 2 was derived by applying the cost to charge ratio against the amount of bad debt expense reported on Form 990, Part IX, Line 25, and Column (A).

Accounts Receivable: The allowance for doubtful accounts is provided based on an analysis by management of the collectability of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for doubtful accounts. Accounts are charged against the allowance for doubtful accounts when deemed uncollectible.

Charity Care: The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as community benefit. The amount on Line 3 is calculated by determining the revenue for all patients that have completed an application for financial assistance and only reporting the amount for those that did not complete the financial assistance process for any number of reasons and were then transferred to bad debt.

Part III, Line 3:

Part VI Supplemental Information (Continuation)

See narrative for Part III, Line 2.

Part III, Line 4:

See page 12 of the attached audited financial statements.

Part III, Line 8:

The Medicare shortfall of \$8,982,844 represents the costs of unreimbursed services. In addition, many of the subsidized health services reported on line 7g include some revenue and expenses from services to Medicare patients, Medicare allowable costs on line 6 were determined using the cost to charge ratio methodology. The Hospital has not included its Medicare shortfall as a community benefit in Part I.

Part III, Line 9b:

The Hospital has a Financial Assistance policy in addition to, and complementing, the bad debt collection policy. The policy describes the Hospital's program of financial assistance for medically necessary services to individuals and families who are uninsured, underinsured, or who experience a catastrophic healthcare event and do not qualify for any other state or federal assistance programs. Patient education of eligibility for assistance is described below in the statement for Part VI, Line 3.

Part VI, Line 2:

Every three years, the Hospital conducts a comprehensive community health needs assessment, engaging numerous community organizations and health partners in the process, to identify far-reaching health needs faced by people in the communities served by the Hospital. Assessment methodologies

Part VI Supplemental Information (Continuation)

address both quantitative and qualitative data and include stakeholder interviews, focus groups, community listening sessions, web survey, written surveys, and analysis of various data sets. Assessment results are shared with community members and serve as the basis to develop new or expanded services in response to need.

In 2023, Concord Hospital conducted a system-wide health needs assessment to include Concord Hospital - Concord, Concord Hospital - Laconia and Concord Hospital - Franklin. The results and the corresponding 2024-2026 Community Health Improvement Plan have been approved by the Board and are available on the Concord Hospital website at:

<https://www.concordhospital.org/about-us/charitable-achievements-and-health-needs-assessment/>

Part VI, Line 3:

Concord Hospital - Laconia follows the financial assistance procedures and policies of its parent, Concord Hospital, Inc. (the Hospital). The Hospital provides a financial assistance packet including an explanatory program cover sheet and application to all uninsured patients. The Hospital actively meets with all hospitalized patients who are uninsured as well as any patient insured patient who is having difficulty paying for balances after insurance has paid. The Hospital routinely provides information and education regarding other insurance coverage options as well as direct assistance in applying for Medicaid.

The Hospital also actively meets with all people who indicate that they do not have insurance or will have difficulty paying their obligations to inform and work with them to understand what local programs are available

Part VI Supplemental Information (Continuation)

to them, including how they can benefit from the Hospital's Financial Assistance program.

Part VI, Line 4:

Concord Hospital-Laconia serves the region surrounding Laconia, NH. The primary area focuses on 13 towns with a population of more than 64,000. More than 75 percent of the inpatient and Emergency Department discharges from Concord Hospital-Laconia are for patients living in the seven towns that have a combined population of approximately 39,000. The remainder of patients originated from bordering towns; a small percentage were non-NH residents. Communities served include small but growing populations and include low-income, uninsured adults and children. Compared to New Hampshire overall, the service area population has proportionally more senior (about 27.2 percent over 65 compared to about 18 percent in NH overall). The service area has a similar proportion of children and youth compared to the state (17.9 percent under 18 compared to 19 percent in NH overall) ranging from about 10 percent of Sandwich residents to approximately 29 percent in Ashland.

Additionally, the region overall has a higher proportion of family households with children that are headed by single parents (29.8 percent compared to 28 percent for NH) and individuals with a disability (15.8 percent compared to 12.7 percent for NH), The 2023 Concord and Lakes Region Community Health Needs Assessment also found that 7.7 percent of the population in the Lakes Region lived at or below 100% of the Poverty Level, 6.2 percent of the population is uninsured and 15.8 percent of the population enrolled in Medicaid. Medically Underserved Areas and Populations (MUA/Ps) are designated by the Health Resources and Services

Part VI Supplemental Information (Continuation)

Administration based on an "Index of Medical Underservice." The low income population of the Franklin Service Area (rural areas of Belknap, Grafton, and Merrimack counties) was identified as a primary care MUP.

Part VI, Line 5:

Concord Hospital - Laconia develops programs and services to address Community health needs and invests in initiatives that align with the Hospital's charitable mission. A reasonable amount of Concord Hospital - Laconia's community benefit investment remains in the area of charitable care to ensure that those without insurance or with limited insurance have access to needed medical care. The Hospital strives to address the needs of vulnerable populations, including our low-income neighbors and other vulnerable populations.

The total population of the Concord Hospital health system's primary service area in 2021 was 249,846 according to the United States Census Bureau (American Community Survey, 2021) or about 18 percent of the total population of New Hampshire. The service area population has increased by approximately 3.5 percent or about 8,400 people over the last 3 years. NH's population grew by about 2 percent over the same time frame. Compared to New Hampshire overall, the service area population has proportionally more seniors, about 20 percent are age 65+ compared to about 18 percent in NH overall. The percent of residents within the primary service area living below the federal poverty level mirrors NH's at about 7 percent of households. In the primary service area, the percent of family households with children headed by a single parent is 29.4 percent compared to NH at 28.0 percent. The population the primary service area with a disability is 14.5 percent compared to 12.7 percent in NH

Part VI Supplemental Information (Continuation)

across all age groups, with the greatest percent disabled in the 65+ age group at 31.5 percent compared to NH overall at 29.8 percent.

Additionally, several areas are characterized as "rent burdened," defined as households spending more than 30 percent of income on housing, identified as a contributor to poor health outcomes. Data from the US Census Bureau (2021 American Community Survey) for the primary service area noted 6.0 percent of the population is uninsured, 21.6 percent have Medicare coverage, and 14.5 percent of the population is enrolled in Medicaid. Medically Underserved Areas and Populations (MUA/Ps) are designated by the Health Resources and Services Administration based on an "Index of Medical Underservice." The low income population of the Franklin Service Area (rural areas of Belknap, Grafton, and Merrimack counties) was identified as a primary care MUP.

These achievements are at the heart of the organization's community benefit activity. Beyond that, there is a focus on programs and services that benefit every resident and support that far reaching goal of a healthier community.

Part VI, Line 6:

Concord Hospital - Laconia is a part of the Concord Hospital System. Concord Hospital, Inc., (the Hospital) located in Concord, New Hampshire, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient, emergency care and physician services for residents within its geographic region. Admitting physicians are primarily practitioners in the local area.

Part VI Supplemental Information (Continuation)

Subsidiaries of Concord Hospital are as follows:

- Capital Region Health Care Development Corporation (CRHCDC) is a not-for-profit real estate corporation that owns and operates medical office buildings and other properties.

- Capital Region Health Ventures Corporation (CRHVC) is a not-for-profit corporation that engages in health care delivery partnerships and joint ventures. It operates ambulatory surgery and diagnostic facilities independently and in cooperation with other entities.

- NH Cares ACO, LLC (NHC) is a single member limited liability company that engages in providing medical services to Medicare beneficiaries as an accountable care organization. NHC has a perpetual life and is subject to termination in certain events. During 2022, NHC was transferred to an unrelated entity for no consideration and the Hospital formed the Concord Hospital ACO, LLC (CH-ACO), which operates in a manner consistent with NHC and had minimal activity during fiscal year 2022 and 2023.

- Concord Hospital - Laconia (CH-Laconia) is a not-for-profit corporation formed to operate a licensed hospital providing inpatient, outpatient, emergency care and physician services for residents within its geographic region of Laconia, New Hampshire. The CH-Laconia facility includes 137 acute care beds and was designated a Rural Referral Center in 1986, and a Sole Community Hospital in 2009. Admitting physicians are primarily practitioners in the local area. CH-Laconia is controlled by Concord Hospital.

Part VI Supplemental Information (Continuation)

- Concord Hospital - Franklin (CH-Franklin) is a not-for-profit corporation formed to operate a licensed hospital providing inpatient, outpatient, emergency care and physician services for residents within its geographic region of Franklin, New Hampshire. The CH-Franklin facility was designated a Critical Access Hospital effective July 1, 2004, and includes 25 acute care beds. CH-Franklin also operates a 10 bed designated psychiatric receiving facility. Admitting physicians are primarily practitioners in the local area. CH-Franklin is controlled by Concord Hospital.

- Granite Shield Insurance Exchange and Subsidiaries (GSIE) was formed on December 20, 2010, in the State of Vermont as an industrial insured reciprocal insurance entity and unincorporated association. GSIE commenced underwriting activities on January 1, 2011. GSIE was formed to provide healthcare professional liability, general liability and medical stop loss insurance to its subscribers through GSI Services, LLC (GSI), the attorney-in-fact. GSI was formed in the State of Vermont as a limited liability company on December 14, 2010, and acts as an agent to enable the subscribers of GSIE to exchange insurance contracts. Through December 31, 2020, GSI was equally controlled by each of the subscribers of GSIE, all of which were health systems located in the State of New Hampshire, inclusive of the Hospital. Effective January 1, 2021, the Hospital became the sole voting member of GSIE, resulting in all activity of GSIE for the period January 1, 2021 to September 30, 2021 and for the fiscal year ended September 30, 2022 being recorded within the System's consolidated financial statements.

- Concord Hospital Insurance Group, LLC (CHIG) is a Vermont domiciled

Part VI Supplemental Information (Continuation)

single parent captive entity and operates in a manner and conducts activities similar to GSIE, as described above. CHIG began operations in late 2022. GSIE entered into a loss portfolio transfer agreement with CHIG in September 2022, whereas GSIE would transfer all of its existing and future claims to CHIG, with the exception of acts prior to CRHC. This transfer was completed prior to September 30, 2023.

- Concord Endoscopy Center, LLC (CEC) is a New Hampshire limited liability company that engages in providing gastrointestinal services, including the diagnosis and treatment of digestive and liver diseases. CEC has a perpetual life, is subject to termination in certain events.

Capital Region Healthcare Services Corporation (CRHSC) is a for-profit provider of health care services, including an eye surgery center and assisted living facility. CRHSC became a subsidiary of the Hospital effective October 1, 2022.

Concord Hospital, its subsidiaries and the Trust are collectively referred to as the System.

Part VI, Line 7, List of States Receiving Community Benefit Report:

NH

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

Concord Hospital - Laconia

Employer identification number

85-1443782

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in or receive payment from a supplemental nonqualified retirement plan?
- c** Participate in or receive payment from an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2022

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Robert P. Steigmeyer President & CEO, Member Ex-Officio	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	864,308.	349,416.	226,949.	261,361.	42,032.	1,744,066.	174,774.
(2) Matthew Gibb Chief Clinical Officer	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	676,136.	155,591.	8,031.	85,603.	30,408.	955,769.	0.
(3) Scott Sloane Senior VP, CFO, & Treasurer	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	488,716.	126,153.	22,048.	107,931.	35,436.	780,284.	0.
(4) Raza Shariff, MD Physician	(i)	108,866.	0.	6,180.	4,800.	7,001.	126,847.	0.
	(ii)	415,423.	0.	79,036.	20,628.	33,192.	548,279.	0.
(5) Christopher Weinmann, MD Physician	(i)	104,295.	0.	1,369.	4,385.	11,409.	121,458.	0.
	(ii)	424,396.	20,315.	26,876.	19,572.	2,137.	493,296.	0.
(6) Mary Bakken System Chief Operating Officer	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	390,320.	99,364.	1,645.	23,333.	23,207.	537,869.	0.
(7) Stephen Marshall, MD Physician	(i)	84,594.	0.	1,031.	2,765.	6,725.	95,115.	0.
	(ii)	322,848.	0.	52,096.	12,110.	6,367.	393,421.	0.
(8) Kevin McCarthy Chief Administrative Officer	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	300,452.	64,549.	21,612.	67,972.	27,902.	482,487.	0.
(9) Julia Fiuk, MD Physician	(i)	84,821.	0.	1,030.	2,777.	4,780.	93,408.	0.
	(ii)	323,804.	0.	25,286.	11,294.	20,821.	381,205.	0.
(10) Krista Hachey, MD Physician	(i)	79,572.	0.	4,669.	2,708.	2,632.	89,581.	0.
	(ii)	304,247.	5,000.	22,014.	10,647.	1,028.	342,936.	0.
(11) Kevin Donovan Former Chief Admin Officer	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	119,969.	78,720.	221,000.	93.	6,505.	426,287.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 3:

The compensation for the Organization's CEO was established by a related organization, Concord Hospital, Inc. That organization established the CEO's compensation by using a compensation committee, independent compensation consultant, and a compensation study. The compensation was also approved by the Hospital's compensation committee.

Part I, Lines 4a-b:

Schedule J, Line 4a, severance compensation and separation payments:

On May 1, 2021, Concord Hospital, Inc. acquired certain assets of LRGHealthcare (LRGH), which included the hospitals that became Concord Hospital - Laconia (CH-L) and Concord Hospital - Franklin (CH-F). Kevin Donovan was employed by and served on the Board of LRGH prior to the acquisition as the LRGH President & CEO, and continued to serve CH-L and CH-F in his employment (but not Trustee) capacities after the acquisition through March, 2022, at which time Mr. Donovan formally ended his position with the Concord Hospital System.

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

After Mr. Donovan ended his term of service within the Concord Hospital System, he became entitled to and received severance payments in the amount of \$221,000. The severance was paid to Mr. Donovan after March 2022, and was included in his 2022 Form W-2 compensation. Accordingly, the severance payments have been included within the amounts reported as paid to Mr. Donovan on this Form 990, Part VII, and on this Schedule J, Part II, Column B(iii).

As Mr. Donovan's term of service concluded in a previous tax period, he has been disclosed as a Former Key Employee on the Organization's 2023 Form 990 for the year ending September 30, 2023.

Schedule J, Line 4b, supplemental non-qualified retirement plans:

Robert P. Steigmeyer, President & CEO, participated in a 457(f) plan with Concord Hospital, Inc. during the fiscal year covered by this tax return. Under the terms of the plan, amounts deferred and contributed to the plan are subject to a three-year vesting period. After satisfying this vesting

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

period, 457(f) deferred amounts are to be included in Mr. Steigmeyer's taxable W-2 wages. The calendar year ending within the Hospital's current reporting period of September 30, 2023 (tax year 2022) includes amounts previously set aside as deferred under Mr. Steigmeyer's 457(f) plan more than three years ago, and have therefore become vested. Accordingly, Mr. Steigmeyer is now recognizing in his W-2 taxable wages vested 457(f) plan deferrals. For the period covered by this tax return, included within Mr. Steigmeyer's 2022 Form W-2 taxable wages are \$174,774 of vested 457(f) deferrals, which represent amounts previously reported on Schedule J, Part II, Column C, as deferred compensation for the fiscal year ending September 30, 2019. In accordance with IRS instructions, this vested and taxable amount has been included in Schedule J, Part II, Column B(iii) and Column F.

Beginning with the September 30, 2015 tax year, there have been contributions to Mr. Steigmeyer's 457(f) plan. Each contribution, plus earnings, will be reported in Mr. Steigmeyer's W-2 after a three-year vesting period. For the fiscal years ended September 30, 2021, 2022, and 2023, Mr. Steigmeyer received total plan contributions (including interest

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

and investment credits) of \$197,425, \$221,218, and \$231,021, respectively.

Due to the timing between the Hospital's fiscal year filing period and the calendar year period by which compensation and benefits information is reported on Form 990, Schedule J, the amount included in Mr. Steigmeyer's deferred compensation amounts in this Schedule J, Part II, Column C, includes the \$177,820 contribution to his 457(f) plan, plus \$43,398 of earnings.

During the year ending September 30, 2021, the Hospital established a Supplemental Executive Retirement Plan (SERP) for the Senior Vice Presidents of Concord Hospital. Under the terms of this SERP, the Hospital credits Senior Executives' accounts at the end of each fiscal year, and the credit shall vest and become payable on the third anniversary of the date such amounts are credited to the account, provided the Senior Executives remain continuously employed through the applicable vesting date. The three-year vesting period SERP amount will be included in taxable W-2 wages upon vesting and payment.

For the fiscal years ended September 30, 2021, 2022, and 2023, total

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

contributions to the SERP, including interest and investment earnings credits, for Scott Sloane were \$26,462, \$43,139, and \$48,021, respectively; contributions for Matthew Gibb were \$36,900, \$53,536, and \$59,576, respectively; and contributions for Mary Bakken were \$0, \$23,333, and \$44,441, respectively.

Due to the timing between the Hospital's fiscal year filing period and the calendar year period by which compensation and benefits information is reported on Form 990, Schedule J, the amount included in these individuals' deferred compensation amounts on this Schedule J, Part II, Column C, including contributions to their 457(f) plans and earnings, are as follows:

- Scott Sloane: contributions, \$41,088; interest credit, \$2,051.
- Matthew Gibb: contributions, \$50,676; interest credit, \$2,860.
- Mary Bakken: contributions, \$23,333; interest credit, \$0.

As none of the SERP contributions have yet satisfied the three-year vesting conditions as of the period covered by this tax return, none of the SERP contributions have yet been included in the W-2 wages for these Senior Executives.

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 7:

Incentive Pay: The primary purpose of the incentive pay is to recognize the quality of the performance of the CEO, CFO, COO, and CMO during the preceding fiscal year. The amount of the incentive pay bonus is based on performance relative to strategic goals and measurable objectives. When the executive's performance excels, the incentive pay should reflect the accomplishment and allow for the sum of base salary and incentive pay to reach as high as the 75th percentile of peer institutions.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

Concord Hospital - Laconia

Employer identification number

85-1443782

Form 990, Part VI, Section A, line 6:

Concord Hospital, Inc. is the sole member of the Organization.

Form 990, Part VI, Section A, line 7a:

The Organization's Board of Trustees shall consist of the members of the Executive Committee of the Organization's sole member, Concord Hospital, Inc., as well as the Chief Administrative Officer and CEO, ex officio, without vote.

Form 990, Part VI, Section A, line 7b:

The sole Member of the Organization, Concord Hospital, Inc., may initiate and implement any proposal or take action with respect to any of the following, and if any proposal with respect to any of the following is otherwise initiated, it shall not become effective unless approved by the Member.

(a) Approval of any merger, consolidation, reorganization, liquidation or dissolution of the Corporation or any subsidiary or affiliate entity;

(b) Entering into any change of control transaction or sale of substantially all of the assets of the Corporation;

(c) Approval of any amendment or restatement of the Articles of Agreement or the Bylaws of the Corporation;

(d) Approval of the annual operating and capital budgets of the Corporation, including the consolidated or combined budgets of the Corporation that include subsidiary organizations of the Corporation;

(e) Approval of long-term or material agreements of the Corporation or any subsidiary organization including, but not limited to, debt or equity

Name of the organization Concord Hospital - Laconia	Employer identification number 85-1443782
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financings, capitalized leases and installment contracts, that are not contemplated in an approved budget;

(f) Approval of any indebtedness or increase of indebtedness for borrowed money, secured or unsecured, of the Corporation or any subsidiary or affiliate in excess of the amount approved in the annual budget;

(g) Establishment of undergraduate or graduate medical education programs by the Corporation or any subsidiary or affiliate with medical schools;

(h) Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of the Corporation or any subsidiary or affiliate entity;

(i) Approval of strategic plans of the Corporation or any subsidiary or affiliate entity;

(j) Establishment of third party relationships which have significant financial or strategic implications;

(k) Appointment or removal of the Chief Administrative Officer of the Corporation (the Chief Administrative Officer), as recommended by the Members President and Chief Executive Officer (the CEO); and

(l) Renewal of employment, and decisions regarding compensation and other material terms of employment, of the Chief Administrative Officer, as recommended by the Members CEO.

Form 990, Part VI, Section B, line 11b:

The 990 is reviewed in detail with the Audit Committee of the Concord Hospital, Inc.'s Board of Trustees. All board members receive a copy of the 990 to review prior to filing the report.

Form 990, Part V, Lines 1-2; and Part VII, Section B.

Name of the organization

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Concord Hospital - Laconia ("CH-L") is part of the Concord Hospital Health System. All officers, employees, executives, physicians, contractors and/or other labor providers who offer services to CH-L were paid through CH-L through March 2022, at which time all officers, employees, executives, physicians, contractors and/or other labor providers who offer services to CH-L transitioned to be legally and technically employed and compensated by Concord Hospital, Inc., the Organization's sole member. CH-L filed its own payroll reporting forms, including Forms W-2, 1099-MISC, or 1099-NEC through 2022. Accordingly, the Organization has listed its number of employees, Forms W-2 and Forms 1099 filed, based on the activity through 2022, before CH-L transitioned to the Concord Hospital systems, where all activity referenced above transitioned to be paid by Concord Hospital, Inc., the Organization's sole member.

This also applies to CH-L's top-five highest paid employees; these individuals, while compensated for services performed in their capacity as Concord Hospital Health System employees rendered on behalf of and for CH-L, were technically paid by and received payroll reporting forms from Concord Hospital, Inc. for compensation and benefits received starting in March 2022. In accordance with IRS Instructions and to maintain transparency, such persons have still been disclosed as CH-L's top-five highest paid employees, including compensation paid by both CH-L and by Concord Hospital, Inc. This change in payroll reporting procedures also explains why of CH-L's more than 1,000 employees during this applicable tax period, only two received more than \$100,000 in compensation from CH-L directly (Form 990, Part VII, Section A, Line 2).

Name of the organization

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Form 990, Part VI, Section B, Line 12c:

Each Trustee, officer and committee member, upon entering the duties of his/her office and annually thereafter, will be advised of this policy and shall sign a statement acknowledging his/her understanding of and agreement to this policy. Annual reviews will adhere to state regulations that require public notice for any significant pecuniary transaction.

Form 990, Part VI, Section B, Line 15:

Any determination for compensation or benefits paid to the organization's officers or key employees is performed by Concord Hospital, Inc., the sole member of the filing Organization, and its Board of Trustees and committees thereof.

The evaluation of the performance of the Chief Executive Officer ("CEO") of Concord Hospital, Inc. and its subsidiaries (collectively the "Hospital") is an important responsibility of the Board of Trustees (the "Board") and is vital in ensuring that the Hospital meets its mission. The Board has delegated the responsibility of initiating the process of conducting the CEO's performance evaluation and initiating the process of setting the CEO's compensation to the Board's Compensation Committee. The Compensation Committee also is charged with the responsibility of reviewing the appropriateness of the compensation of the Hospital's Chief Operating Officer (COO), Chief Financial Officer (CFO), and Chief Medical Officer (CMO) as proposed by the CEO.

The Compensation Committee shall present its report of the CEO's annual performance to the Board for its further input and consideration. The

Name of the organization

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Compensation Committee shall also make its recommendation to the Board concerning the CEO's compensation. Finally, the Compensation Committee shall make its recommendation to the Board concerning the compensation of the COO, CFO, and CMO. The Board shall review the recommendations of the Compensation Committee as to the compensation of the Hospital's CEO, COO, CFO, and CMO and shall set their compensation as the Board deems appropriate.

Although the Hospital continues to value the role of Capital Region Health Care Corporation ("CRHC") and the Hospital's participation in that organization, the Board acknowledges that it is not the responsibility of the Board to evaluate or set the compensation of the Chief Executive Officer of CRHC. Neither is it the role of the Board of Trustees of CRHC to evaluate, or set the compensation of, the Hospital's CEO. Accordingly, CRHC's Board of Trustees is not involved in evaluating or setting the compensation of the Hospital's CEO. The Board acknowledges that the Hospital's CEO may also serve as the Chief Executive Officer of CRHC and that the Hospital may charge CRHC for these services. The Board may consider the comments of the Board of Trustees of CRHC, as outlined herein, when deemed relevant in evaluating the performance of the Hospital's CEO.

The Board directs that the Compensation Committee and the Board itself, in their respective undertakings of recommending and setting the compensation of the Hospital's CEO, COO, CFO, and CMO, avoid conflicts of interest and be guided by the "rebuttable presumption of reasonableness" regulations under the so-called "Excess Benefit Transaction" provisions of the Internal Revenue Code ("IRC").

Name of the organization

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The Board authorizes the Compensation Committee to use such financial and advisory (e.g., legal counsel, consultant) resources as it reasonably deems appropriate to fulfill its duties in evaluating the CEO's performance and in making its recommendations to the Board regarding compensation for the CEO, COO, CFO, and CMO.

Form 990, Part VI, Section C, Line 19:

Yes, the organization makes all of this information available to the public. Audited financial statements and the most recent quarter ended financial statements are posted to the Electronic Municipal Market Access (EMMA) website. In addition to this, the Hospital sends its annual report, including a financial summary, to members of the community via the US Postal service. Governing documents and conflicts of interest filings adhere to state regulations that require public notice for any significant pecuniary transaction.

Form 990, Part VII, Section A, Column E:

The compensation reported for Robert P. Steigmeyer and Scott Sloane was paid by Concord Hospital, Inc. for their services as full-time executives. In total, they worked an average of 63 hours per week for all entities in the Concord Hospital health care system, of which an average of 1 hour per week was dedicated to Concord Hospital-Laconia.

Concord Hospital-Laconia (CH-L) is also listing on its Form 990, Part VII, Matthew Gibb, who serves as the Organization's Chief Clinical Officer, and Mary Bakken, who serves as the Organization's System Chief Operating Officer. Matthew Gibb and Mary Bakken are both employed and compensated by Concord Hospital Inc. (CH), the sole parent of CH-L.

Name of the organization Concord Hospital - Laconia	Employer identification number 85-1443782
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While directly paid by CH, their services are also considered essential to the operations of CH-L. Accordingly, they have been disclosed on this Form 990 as Key Employees of CH-L.

Form 990, Part IX, Line 11g, Other Fees:

Administrative and maintenance:

Program service expenses	6,637,020.
Management and general expenses	2,581,582.
Fundraising expenses	83,136.
Total expenses	9,301,738.

IT support services:

Program service expenses	2,997,210.
Management and general expenses	1,613,882.
Fundraising expenses	0.
Total expenses	4,611,092.

Professional medical services:

Program service expenses	5,747,295.
Management and general expenses	0.
Fundraising expenses	0.
Total expenses	5,747,295.

Total Other Fees on Form 990, Part IX, line 11g, Col A	19,660,125.
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Form 990, Part XI, line 9, Changes in Net Assets:

Net transfers from affiliates	1,650,324.
Net periodic benefits adjustment	800,000.

Name of the organization Concord Hospital - Laconia	Employer identification number 85-1443782
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Increase in pension liabilities	5,454,394.
Total to Form 990, Part XI, Line 9	7,904,718.

Form 990, Part XII, Line 2c:

Concord Hospital - Laconia (CH-L) is included in the Concord Hospital, Inc. and Subsidiaries Audited Consolidated Financial Statements. Concord Hospital, Inc. is the sole member of CH-L. CH-L's Board in conjunction with Concord Hospital's chief financial executives review the CH-L's financial statements monthly, and its Finance Committee receives monthly financial statements which are reviewed bi-monthly within Finance Committee meetings. Concord Hospital also has an audit committee of its Board, which reviews the annual audit process and the selection of the independent accountant for the entire Concord Hospital-System. The same independent firm of accountants performed the audit for the Concord Hospital-System's fiscal years ending 9/30/2022 and 9/30/2023.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships
Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022
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Inspection

Name of the organization **Concord Hospital - Laconia** Employer identification number **85-1443782**

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Capital Region Health Care Corporation - 02-0222123, 250 Pleasant Street, Concord, NH 03301	Promote comprehensive health service system	New Hampshire	501(c)(3)	Line 12a, I	N/A		X
Capital Region Health Care Development Corporation - 02-0429749, 250 Pleasant Street, Concord, NH 03301	Provide medical care to community	New Hampshire	501(c)(2)		Concord Hospital		X
Capital Region Health Ventures Corp. - 02-0438264, 250 Pleasant Street, Concord, NH 03301	Support Concord Hospital and other affiliates	New Hampshire	501(c)(3)	Line 12b, II	Concord Hospital		X
Concord Hospital - 22-2594672 250 Pleasant Street Concord, NH 03301	Hospital	New Hampshire	501(c)(3)	Line 3	Capital Region Health Care Corporation		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2022

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
Concord Imaging Center, LLC - 02-0436605, 2 1/2 Beacon Street, Concord, NH 03301	Provide radiology services to community	NH	N/A	N/A	N/A	N/A		X	N/A		X	N/A
Capital Orthopedic Surgery Center - 02-0522860, 250 Pleasant Street, Concord, NH 03301	Provide medical care to community	NH	N/A	N/A	N/A	N/A		X	N/A		X	N/A
Concord Endoscopy Center, LLC - 20-1184756, 60 Commerical Street, Concord, NH 03301	Provide medical care to community	NH	N/A	N/A	N/A	N/A		X	N/A		X	N/A

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
Capital Region Health Services Corporation - 02-0428631, 250 Pleasant Street, Concord, NH 03301	Medical services	NH	N/A	C CORP	N/A	N/A	N/A		X
Capital Region Primary Care Corporation - 02-0495275, 250 Pleasant Street, Concord, NH 03301	Inactive	NH	N/A	C CORP	N/A	N/A	N/A		X
Lakes Region Medical Office Building - 02-0409867, 250 Pleasant Street, Concord, NH 03301	Rental properties and condominiums	NH	N/A	C CORP	N/A	N/A	N/A		X
Hillside Medical Park Condo Association - 86-3920257, 250 Pleasant Street, Concord, NH 03301	Rental properties and condominiums	NH	N/A	C CORP	N/A	N/A	N/A		X
CH Memorial West Condominium Association - 37-2006095, 250 Pleasant Street, Concord, NH 03301	Rental properties and condominiums	NH	N/A	C CORP	N/A	N/A	N/A		X

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)	X	
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)	X	
k Lease of facilities, equipment, or other assets from related organization(s)	X	
l Performance of services or membership or fundraising solicitations for related organization(s)	X	
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

Part IV, Identification of Related Organizations Taxable as Corp or Trust:

Name of Related Organization:

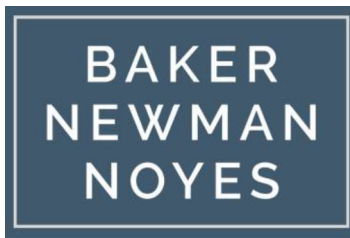
Lakes Region Medical Office Building

Direct Controlling Entity: Capital Region Health Care Development Corporation

Name of Related Organization:

Hillside Medical Park Condo Association

Direct Controlling Entity: Capital Region Health Care Development Corporation



Concord Hospital, Inc. and Subsidiaries

Audited Consolidated Financial Statements

*Years Ended September 30, 2023 and 2022
With Independent Auditors' Report*

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnn CPA.com



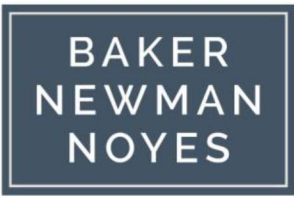
CONCORD HOSPITAL, INC. AND SUBSIDIARIES

Audited Consolidated Financial Statements

Years Ended September 30, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Concord Hospital, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Concord Hospital, Inc. and Subsidiaries (the System), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the System as of September 30, 2023 and 2022, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the System adopted the provisions of Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, and all subsequent ASUs that modified Topic 842, effective October 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Baker Newman & Noyes LLC

Manchester, New Hampshire
December 8, 2023

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2023 and 2022

ASSETS
(In thousands)

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 79,917	\$ 54,630
Short-term investments	46,394	15,322
Accounts receivable	91,318	110,525
Due from affiliates	1,443	1,099
Supplies	4,744	6,125
Prepaid expenses and other current assets	<u>11,247</u>	<u>12,255</u>
Total current assets	235,063	199,956
Assets whose use is limited or restricted:		
Board designated	388,305	340,058
Funds held by trustee for insurance reserves, escrows and construction funds	34,960	50,118
Donor-restricted funds and restricted grants	<u>44,094</u>	<u>43,514</u>
Total assets whose use is limited or restricted	467,359	433,690
Other noncurrent assets:		
Due from affiliates, net of current portion	467	533
Prepaid pension and other assets	<u>43,662</u>	<u>21,126</u>
Total other noncurrent assets	44,129	21,659
Property and equipment:		
Land and land improvements	8,435	8,359
Buildings	267,179	266,581
Equipment	278,585	260,992
Construction in progress	<u>10,620</u>	<u>11,807</u>
Total property and equipment	564,819	547,739
Less accumulated depreciation	<u>(363,709)</u>	<u>(344,416)</u>
Net property and equipment	201,110	203,323
Operating lease right-of-use assets	<u>26,252</u>	<u>—</u>
	<u>\$ 973,913</u>	<u>\$ 858,628</u>

LIABILITIES AND NET ASSETS

(In thousands)

	<u>2023</u>	<u>2022</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 49,982	\$ 50,361
Accrued compensation and related expenses	46,827	49,107
Accrual for estimated third-party payor settlements	68,589	62,608
Current portion of long-term debt	6,144	4,147
Current portion of operating lease liabilities	<u>5,406</u>	<u>—</u>
Total current liabilities	176,948	166,223
Long-term debt, net of current portion	145,525	152,609
Operating lease liabilities, less current portion	21,091	—
Reserve for insurance	20,759	23,601
Accrued pension and other long-term liabilities	<u>18,278</u>	<u>26,490</u>
Total liabilities	382,601	368,923
Net assets:		
Without donor restrictions	544,486	443,500
With donor restrictions	<u>44,094</u>	<u>43,514</u>
Total Concord Hospital net assets	588,580	487,014
Noncontrolling interest in consolidated subsidiary	<u>2,732</u>	<u>2,691</u>
Total net assets	591,312	489,705
	<u> </u>	<u> </u>
	<u>\$ 973,913</u>	<u>\$ 858,628</u>

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2023 and 2022

(In thousands)

	<u>2023</u>	<u>2022</u>
Revenue and other support without donor restrictions:		
Patient service revenue	\$705,758	\$709,396
Other revenue	29,373	39,781
Disproportionate share revenue	30,212	29,744
Net assets released from restrictions for operations	<u>5,105</u>	<u>1,889</u>
Total revenue and other support without donor restrictions	770,448	780,810
Operating expenses:		
Salaries and wages	377,209	380,846
Employee benefits	81,591	92,363
Supplies and other	152,635	156,674
Purchased services	57,796	51,392
Professional fees	17,021	16,498
Depreciation and amortization	27,291	28,953
Medicaid enhancement tax	32,647	32,035
Interest	<u>4,275</u>	<u>4,568</u>
Total operating expenses	<u>750,465</u>	<u>763,329</u>
Income from operations	19,983	17,481
Nonoperating income (loss):		
Gifts and bequests without donor restrictions	346	261
Investment income (loss) and other	49,961	(48,917)
Other nonoperating expense	(856)	(856)
Net periodic benefit gain, other than service cost	<u>4,733</u>	<u>1,321</u>
Total nonoperating income (loss)	<u>54,184</u>	<u>(48,191)</u>
Consolidated excess (deficiency) of revenues and nonoperating income (loss) over expenses	74,167	(30,710)
Excess of revenues and nonoperating income (loss) over expenses attributable to noncontrolling interest in consolidated subsidiary	<u>(181)</u>	<u>(227)</u>
Excess (deficiency) of revenues and nonoperating income (loss) over expenses attributable to the System	<u>\$ 73,986</u>	<u>\$ (30,937)</u>

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2023 and 2022

(In thousands)

	<u>2023</u>	<u>2022</u>
System net assets without donor restrictions:		
Excess (deficiency) of revenues and nonoperating income (loss) over expenses attributable to the System	\$ 73,986	\$ (30,937)
Net transfers from affiliates	97	343
Other changes	(339)	-
Net assets released from restrictions used for purchases of property and equipment	753	1,886
Pension adjustment	<u>26,489</u>	<u>(5,502)</u>
Increase (decrease) in System net assets without donor restrictions	100,986	(34,210)
System net assets with donor restrictions:		
Contributions and pledges with donor restrictions	2,704	5,057
Net investment gain (loss)	3,664	(3,923)
Contributions to affiliates and other community organizations	(302)	(243)
Unrealized gains (losses) on trusts administered by others	372	(2,505)
Net assets released from restrictions for operations	(5,105)	(1,889)
Net assets released from restrictions used for purchases of property and equipment	<u>(753)</u>	<u>(1,886)</u>
Increase (decrease) in System net assets with donor restrictions	<u>580</u>	<u>(5,389)</u>
Increase (decrease) in System net assets	101,566	(39,599)
Noncontrolling interest in consolidated subsidiary:		
Distributions to noncontrolling interest in consolidated subsidiary	(140)	(270)
Excess of revenues and nonoperating income (loss) over expenses attributable to noncontrolling interest in consolidated subsidiary	<u>181</u>	<u>227</u>
Increase (decrease) in noncontrolling interest in consolidated subsidiary	<u>41</u>	<u>(43)</u>
Increase (decrease) in total net assets	101,607	(39,642)
Net assets, beginning of year	<u>489,705</u>	<u>529,347</u>
Net assets, end of year	<u>\$591,312</u>	<u>\$489,705</u>

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2023 and 2022
(In thousands)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Increase (decrease) in total net assets	\$ 101,607	\$ (39,642)
Adjustments to reconcile increase (decrease) in total net assets to net cash provided (used) by operating activities:		
Contributions and pledges with donor restrictions	(2,704)	(5,057)
Depreciation and amortization	27,291	28,953
Net realized and unrealized (gains) losses on investments	(46,446)	63,991
Bond premium and issuance cost amortization	(940)	(968)
Equity in earnings of affiliates, net	(5,012)	(4,893)
Distributions to noncontrolling interest in consolidated subsidiary	140	270
Loss on disposal of property and equipment	—	(270)
Pension adjustment	(26,489)	5,502
Noncash lease expense	245	—
Changes in operating assets and liabilities:		
Accounts receivable	19,207	(15,805)
Supplies, prepaid expenses and other current assets	2,389	(1,149)
Prepaid pension and other assets	1,900	(4,022)
Due from affiliates	(278)	14
Accounts payable and accrued expenses	(379)	3,289
Accrued compensation and related expenses	(2,280)	5,125
Accrual for estimated third-party payor settlements	5,981	(33,795)
Accrued pension and other long-term liabilities	(5,665)	(19,403)
Reserve for insurance	<u>(2,842)</u>	<u>(5,331)</u>
Net cash provided (used) by operating activities	65,725	(23,191)
Cash flows from investing activities:		
Purchases of property and equipment	(25,078)	(22,032)
Proceeds from sale of property and equipment	—	11,362
Purchases of investments	(99,562)	(23,369)
Proceeds from sales of investments	81,450	67,838
Equity distributions from affiliates	4,518	4,445
Net cash (used) provided by investing activities	<u>(38,672)</u>	<u>38,244</u>
Cash flows from financing activities:		
Payments on long-term debt	(4,147)	(3,020)
Bond issuance costs	—	(26)
Distributions to noncontrolling interest in consolidated subsidiary	(140)	(270)
Contributions and pledges with donor restrictions	2,521	5,171
Net cash (used) provided by financing activities	<u>(1,766)</u>	<u>1,855</u>
Net increase in cash and cash equivalents	25,287	16,908
Cash and cash equivalents at beginning of year	<u>54,630</u>	<u>37,722</u>
Cash and cash equivalents at end of year	\$ <u>79,917</u>	\$ <u>54,630</u>

Supplemental disclosure of noncash transactions:
See Note 16 with respect to certain noncash activities related to leases.

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Concord Hospital, Inc. (the Hospital), located in Concord, New Hampshire, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient, emergency care and physician services for residents within its geographic region. Admitting physicians are primarily practitioners in the local area. The Hospital is controlled by Capital Region Health Care Corporation (CRHC).

In 1985, the then Concord Hospital underwent a corporate reorganization in which it was renamed and became CRHC. At the same time, the Hospital was formed as a new entity. All assets and liabilities of the former hospital, now CRHC, with the exception of its endowments and restricted funds, were conveyed to the new entity. The endowments were held by CRHC for the benefit of the Hospital, which is the true party in interest. Effective October 1, 1999, CRHC transferred these funds to the Hospital.

In March 2009, the Hospital created The Concord Hospital Trust (the Trust), a separately incorporated, not-for-profit organization to serve as the Hospital's philanthropic arm. In establishing the Trust, the Hospital transferred philanthropic funds with donor restrictions, including board designated funds, endowments, indigent care funds and specific purpose funds, to the newly formed organization together with the stewardship responsibility to direct monies available to support the Hospital's charitable mission and reflect the specific intentions of the donors who made these gifts.

Subsidiaries of the Hospital are as follows:

Capital Region Health Care Development Corporation (CRHCDC) is a not-for-profit real estate corporation that owns and operates medical office buildings and other properties.

Capital Region Health Ventures Corporation (CRHVC) is a not-for-profit corporation that engages in health care delivery partnerships and joint ventures. It operates ambulatory surgery and diagnostic facilities independently and in cooperation with other entities.

NH Cares ACO, LLC (NHC) and Concord Hospital ACO (CH-ACO) are both single member limited liability companies that engage in providing medical services to Medicare beneficiaries as accountable care organizations. NHC has a perpetual life and is subject to termination in certain events. During 2022, NHC was transferred to an unrelated entity for no consideration and the Hospital formed CH-ACO, which operates in a manner consistent with NHC and had minimal activity during fiscal years 2022 and 2023.

Concord Hospital – Laconia (CH-Laconia) is a not-for-profit corporation formed to operate a licensed hospital providing inpatient, outpatient, emergency care and physician services for residents within its geographic region of Laconia, New Hampshire. The CH-Laconia facility includes 137 acute care beds and was designated a Rural Referral Center in 1986, and a Sole Community Hospital in 2009. Admitting physicians are primarily practitioners in the local area.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Concord Hospital – Franklin (CH-Franklin) is a not-for-profit corporation formed to operate a licensed hospital providing inpatient, outpatient, emergency care and physician services for residents within its geographic region of Franklin, New Hampshire. The CH-Franklin facility was designated a Critical Access Hospital effective July 1, 2004, and includes 25 acute care beds. CH-Franklin also operates a 10 bed designated psychiatric receiving facility. Admitting physicians are primarily practitioners in the local area.

Granite Shield Insurance Exchange and Subsidiaries (GSIE) was formed on December 20, 2010, in the State of Vermont as an industrial insured reciprocal insurance entity and unincorporated association. GSIE commenced underwriting activities on January 1, 2011. GSIE was formed to provide healthcare professional liability, general liability and medical stop loss insurance to its subscribers through GSI Services, LLC (GSI), the attorney-in-fact. GSI was formed in the State of Vermont as a limited liability company on December 14, 2010, and acts as an agent to enable the subscribers of GSIE to exchange insurance contracts. Through December 31, 2020, GSI was equally controlled by each of the subscribers of GSIE, all of which were health systems located in the State of New Hampshire, inclusive of the Hospital. Effective January 1, 2021, the Hospital became the sole voting member of GSIE, resulting in all activity of GSIE being recorded within the accompanying consolidated financial statements.

GSIE discontinued writing coverages effective October 1, 2022, and its current operations consist of runoff claims for a previously withdrawn subscriber, as well as the current subscriber, CRHC.

Concord Hospital Insurance Group, LLC (CHIG) is a Vermont domiciled single parent captive entity and operates in a manner and conducts activities similar to GSIE, as described above. CHIG began operations in late 2022. GSIE entered into a loss portfolio transfer agreement with CHIG in September 2022, whereas GSIE would transfer all of its existing and future claims to CHIG, with the exception of acts prior to CRHC. This transfer was completed prior to September 30, 2023.

Concord Endoscopy Center, LLC (CEC) is a New Hampshire limited liability company that engages in providing gastrointestinal services, including the diagnosis and treatment of digestive and liver diseases. CEC has a perpetual life and is subject to termination in certain events. CRHVC holds a majority interest and control of CEC.

Capital Region Healthcare Services Corporation (CRHSC) is a for-profit provider of health care services, including an eye surgery center and assisted living facility. CRHSC became a subsidiary of the Hospital effective October 1, 2022.

The Hospital, its subsidiaries and the Trust are collectively referred to as the System. The consolidated financial statements include the accounts of the Hospital, the Trust, CRHCDC, CRHVC, NHC, CH-ACO, CH-Laconia, CH-Franklin, GSIE, CHIG, CEC and CRHSC. All significant intercompany balances and transactions have been eliminated in consolidation. The Hospital, the Trust, CH-Laconia and CH-Franklin constitute the Obligated Group at September 30, 2023 and 2022 to certain debt described in Note 7.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Principles of Consolidation

Noncontrolling interests in less-than-wholly-owned consolidated subsidiaries of the System are presented as a component of total net assets to distinguish between the interests of the System and the interests of the noncontrolling owners. Revenues, expenses and nonoperating income (loss) from these subsidiaries are included in the consolidated amounts presented on the consolidated statements of operations. Excess (deficiency) of revenues and nonoperating income (loss) over expenses attributable to the System separately presents the amounts attributable to the controlling interest.

Noncontrolling Interests

Noncontrolling interests represent the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The System's accompanying consolidated financial statements include all assets, liabilities, revenues and expenses at their consolidated amounts, which include the amounts attributable to the System and the noncontrolling interest. The System recognizes as a separate component of net assets and earnings the portion of income or loss attributable to noncontrolling interests based on the portion of the entity not owned by the System.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which subject the System to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the System's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The System's accounts receivable are primarily due from third-party payors and amounts are presented net of expected explicit and implicit price concessions, including estimated implicit price concessions from uninsured patients. The System's investment portfolio consists of diversified investments, which are subject to market risk. The System's investment in one fund, the Vanguard Institutional Index Fund, exceeded 10% of total System investments as of September 30, 2023 and 2022.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds with original maturities of three months or less, excluding assets whose use is limited or restricted. The System maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The System has not experienced any losses on such accounts.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Supplies

Supplies are carried at the lower of cost, determined on a weighted-average method, or net realizable value.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees for insurance reserves, escrows, construction funds, designated assets set aside by the Board of Trustees (over which the Board retains control and may, at its discretion, subsequently use for other purposes), and donor-restricted investments.

Investments and Investment Income (Loss)

Investments are carried at fair value in the accompanying consolidated balance sheets. Investment income (loss) (including realized gains and losses on investments, interest and dividends) and the net change in unrealized gains and losses on investments are included in the excess (deficiency) of revenues and nonoperating income (loss) over expenses in the accompanying consolidated statements of operations, unless the income or loss is restricted by donor or law.

Beneficial Interest in Perpetual Trusts

The System has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the System are without donor restrictions. The System's interest in the fair value of the trust assets is included in assets whose use is limited or restricted and as net assets with donor restrictions. Changes in the fair value of beneficial trust assets are reported as increases or decreases to net assets with donor restrictions.

Investment Policies

The System's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated funds.

Endowment funds are identified as perpetual in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Specific purpose funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Management of these assets is designed to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

Spending Policy for Appropriation of Assets for Expenditure

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System has a current spending policy on various funds currently equivalent to 5% of twelve-quarter moving average of the funds' total market value.

Accounts Receivable

Patient accounts receivable for which the unconditional right to payment exists are receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. Accounts receivable at September 30, 2023 and 2022 reflect the fact that any estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to accounts receivable rather than allowance for doubtful accounts. At September 30, 2023 and 2022, estimated implicit price concessions of \$26,391 and \$29,203, respectively, had been recorded as reductions to accounts receivable balances to enable the System to record revenues and accounts receivable at the estimated amounts expected to be collected.

Accounts receivable as of September 30, 2023, 2022 and 2021 are \$91,318, \$110,525 and \$94,720, respectively.

Property and Equipment

Property and equipment is stated at cost at time of purchase, or at fair value at time of donation for assets contributed, less any reductions in carrying value for impairment and less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the related assets over their estimated useful lives. For the years ended September 30, 2023 and 2022, depreciation expense was \$27,291 and \$28,953, respectively.

The System has also capitalized certain costs associated with property and equipment not yet in service. Construction in progress includes amounts incurred related to major construction projects, other renovations, and other capital equipment purchased but not yet placed in service. There was no interest expense capitalized during 2023 or 2022.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Gifts of long-lived assets such as land, buildings or equipment are reported as support without donor restrictions, and are excluded from the excess (deficiency) of revenues and nonoperating income (loss) over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Intangible Assets

The System reviews its intangible and other long-lived assets annually to determine whether the carrying amount of such assets is impaired. Upon determination that an impairment has occurred, these assets are reduced to fair value. There were no impairments recorded for the years ended September 30, 2023 or 2022.

Intangible assets are included within other noncurrent assets in the accompanying consolidated balance sheets at cost less accumulated amortization. Amortizable intangible assets consist of the following at September 30:

	<u>2023</u>	<u>2022</u>
Cost	\$ 8,556	\$ 8,556
Accumulated amortization	<u>(2,140)</u>	<u>(1,284)</u>
Amortizable intangible assets, net	\$ <u>6,416</u>	\$ <u>7,272</u>

Amortization expense was \$856 during the years ended September 30, 2023 and 2022 and is recorded within other nonoperating expense in the accompanying consolidated statements of operations.

Expected amortization of intangible assets through their useful lives is as follows:

2024	\$ 856
2025	856
2026	856
2027	856
2028	856
Thereafter	<u>2,136</u>
	<u>\$ 6,416</u>

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the grant expenditures are incurred.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Bond Issuance Costs/Original Issue Discount or Premium

Bond issuance costs incurred to obtain financing for construction and renovation projects and the original issue discount or premium are amortized to interest expense using the straight-line method, which approximates the effective interest method, over the life of the respective bonds. The original issue discount or premium and bond issuance costs are presented as a component of bonds payable.

Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates (Note 12). Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The System uses an industry standard approach in calculating the costs associated with providing charity care. Funds received from gifts and grants to subsidize charity services provided for the years ended September 30, 2023 and 2022 were approximately \$130 and \$133, respectively.

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. Donated investments, supplies and equipment are reported at fair value at the date of receipt. Unconditional promises to give cash and other assets are reported at fair value at the date of receipt of the promise. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of operations as either net assets released from restrictions for operations (for noncapital related items) or as net assets released from restrictions used for purchases of property and equipment (capital related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the System in perpetuity.

Patient Service Revenue

Revenues generally relate to contracts with patients in which the System's performance obligations are to provide health care services to patients. Revenues are recorded during the period obligations to provide health care services are satisfied. Performance obligations for inpatient services are generally satisfied over a period of days. Performance obligations for outpatient services are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payor (Medicare, Medicaid, managed care health plans and commercial insurance companies, including plans offered through the health insurance exchanges) and the transaction prices for the services provided are dependent upon the terms provided by Medicare and Medicaid or negotiated with managed care health plans and commercial insurance companies, the third-party payors. The payment arrangements with third-party payors for the services provided to related patients typically specify payments at amounts less than standard charges. Medicare generally pays for inpatient and outpatient services at prospectively determined rates based on clinical, diagnostic and other factors. Services provided to patients having Medicaid coverage are generally paid at prospectively determined rates per discharge, per identified service or per covered member. Agreements with commercial insurance carriers, managed care and preferred provider organizations generally provide for payments based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates. Management continually reviews the revenue recognition process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

The collection of outstanding receivables for Medicare, Medicaid, managed care payers, other third-party payors and patients is the System's primary source of cash and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts, including patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities that represent a majority of hospital revenues and accounts receivable (the "hindsight analysis") as a primary source of information in estimating the collectability of accounts receivable. Management performs the hindsight analysis regularly, utilizing rolling twelve-months accounts receivable collection and write-off data. Management believes its regular updates to the estimated implicit price concession amounts provide reasonable estimates of revenues and valuations of accounts receivable. These routine, regular changes in estimates have not resulted in material adjustments to the valuations of accounts receivable or period-to-period comparisons of operations.

The System receives payment for other Medicaid outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenues in the year that such amounts become known. For the years ended September 30, 2023 and 2022, patient service revenue in the accompanying consolidated statements of operations increased by approximately \$4,700 and \$5,100, respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

Revenues from the Medicare and Medicaid programs accounted for approximately 40% and 5% and 39% and 6% of the System's patient service revenue for the years ended September 30, 2023 and 2022, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation.

Excess (Deficiency) of Revenues and Nonoperating Income (Loss) Over Expenses

The System has deemed all activities as ongoing, major or central to the provision of health care services and, accordingly, they are reported as operating revenue and expenses, except for contributions and pledges without donor restrictions, the related philanthropy expenses and investment income which are recorded as nonoperating income (loss).

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

The consolidated statements of operations also include excess (deficiency) of revenues and nonoperating income (loss) over expenses. Changes in net assets without donor restrictions which are excluded from excess (deficiency) of revenues and nonoperating income (loss) over expenses, consistent with industry practice, include the permanent transfers of assets to and from affiliates for other than goods and services, pension adjustments and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Estimated Workers' Compensation, Malpractice and Health Care Claims

The provision for estimated workers' compensation, malpractice and health care claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Functional Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in Note 11. Accordingly, costs have been allocated among program services and supporting services benefitted.

Income Taxes

The Hospital, CH-Laonia, CH-Franklin, CRHCDC, CRHVC, and the Trust are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. NHC was organized as a single member limited liability company and has elected to be treated as a disregarded entity for federal and state income tax reporting purposes. Accordingly, all income or losses and applicable tax credits are reported on the member's income tax returns, with the exception of taxes due to the State of New Hampshire. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. GSIE, CHIG, NHC, CH-ACO, CEC and CRHSC account for income taxes in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*. FASB ASC 740 is an asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the tax and financial reporting basis of certain assets and liabilities. Resulting income tax expense and the temporary differences between the tax and financial reporting basis are not material.

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled \$247 and \$168 for the years ended September 30, 2023 and 2022, respectively.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. The standard, including subsequently issued amendments, collectively referred to as Accounting Standards Codification (ASC) 842, *Leases*, established the principles that lessees and lessors will apply to report useful information to users of financial statements about the amount, timing and uncertainty of cash flows arising from a lease. ASC 842 did not have a significant impact on lessor accounting. The System adopted this standard using the modified retrospective transition approach as applied to leases existing as of or entered into after the adoption date (October 1, 2022) in fiscal year 2023. See Note 16 for a discussion of the System's adoption of this standard and its impact on the consolidated financial statements and related disclosures.

At the inception of an arrangement, the System determines whether the arrangement is, or contains, a lease based on the unique facts and circumstances present in the arrangement. A lease is a contract, or part of a contract, that conveys the right to control the use of identified property or equipment (an identified asset) for a period of time in exchange for consideration. The System determines if the contract conveys the right to control the use of an identified asset for a period of time. The System assesses throughout the period of use whether the System has both of the following: (1) the right to obtain substantially all of the economic benefits from use of the identified asset, and (2) the right to direct the use of the identified asset. This determination is reassessed if the terms of the contract are changed.

Leases are classified as operating or finance leases based on the terms of the lease agreement and certain characteristics of the identified asset. Leases with a term greater than one year are recognized on the balance sheet as right-of-use assets and lease obligations, as applicable.

The interest rate implicit in lease contracts is typically not readily determinable. As a result, the System has elected to utilize a risk-free rate as the rate to discount lease payments.

Lease liabilities are initially recorded based on the present value of lease payments over the expected remaining lease term. Lease payments are comprised of fixed and in-substance fixed contract consideration. The System has made a policy election not to separate lease components, nonlease components, and noncomponents. The right-of-use asset is based on the lease liability, adjusted for certain items such as lease prepayments or lease incentives received. Finance lease assets are amortized on a straight-line basis, with interest costs reported separately, over the lesser of the useful life of the leased asset or lease term. Operating lease expense is recognized on a straight-line basis. Variable lease payments are expensed as incurred.

The System assesses at the commencement of a lease any options to extend or terminate the lease agreement, and will include in the lease term any extensions or renewals which it determines it is reasonably certain to exercise. Assumptions made at the lease commencement date are re-evaluated upon the occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right-of-use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right-of-use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The COVID-19 pandemic has significantly affected employees, patients, systems, communities and business operations, as well as the U.S. economy and financial markets. Since the declaration of the pandemic, the System has received approximately \$57,885 of accelerated Medicare payments (see Note 6), approximately \$30,668 related to the *Coronavirus Aid, Relief and Economic Security Act* (CARES Act) Provider Relief Funds (PRF) and approximately \$8,800 in rural payments related to the *American Rescue Plan Act* (ARPA). Distributions from the PRF and ARPA are not subject to repayment, provided the System is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. Such payments are accounted for as government grants, and are recognized on a systematic and rational basis as other income once there is reasonable assurance that the applicable terms and conditions required to retain the funds will be met. Based on an analysis of the compliance and reporting requirements of the PRF and ARPA and the impact of the pandemic on operating results through September 30, 2022, the System recognized approximately \$10,000 related to PRF and ARPA, and these payments were recorded within other revenue in the accompanying consolidated statements of operations for the year ended September 30, 2022. No amounts related to PRF or ARPA were recognized within other revenues during the year ended September 30, 2023. The remaining funds were recognized within other revenues during previous years.

The CARES Act also provides for a deferral of payments of the employer portion of payroll tax incurred during the pandemic, allowing half of such payroll taxes to be deferred until December 2021, and the remaining half until December 2022. At September 30, 2022, the System had deferred balances of payroll taxes totaling \$4,646 which were recorded within accrued compensation and related expenses on the accompanying 2022 consolidated balance sheet. Amounts were fully repaid during the year ended September 30, 2023.

The System will continue to monitor compliance with the terms and conditions of the PRF, ARPA and other potential assistance programs and available grants, and the impact of the pandemic on revenues and expenses. If the System is unable to attest to or comply with current or future terms and conditions, the System's ability to retain some or all of the distributions received may be impacted.

Reclassifications

Certain 2022 amounts have been reclassified to permit comparison with the 2023 consolidated financial statements presentation format.

Subsequent Events

Management of the System evaluated events occurring between the end of the System's fiscal year and December 8, 2023, the date the consolidated financial statements were available to be issued.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

2. Transactions With Affiliates

The System provides funds to CRHC and its affiliates which are used for a variety of purposes. The System records the transfer of funds to CRHC and the other affiliates as either receivables or directly against net assets, depending on the intended use and repayment requirements of the funds. Generally, funds transferred for start-up costs of new ventures or capital related expenditures are recorded as charges against net assets. For the years ended September 30, 2023 and 2022, transfers received from affiliates were \$97 and \$343, respectively.

Amounts due the System, primarily from joint ventures, totaled \$1,910 and \$1,632 at September 30, 2023 and 2022, respectively. Amounts have been classified as current or long-term depending on the intentions of the parties involved. Beginning in 1999, the Hospital began charging interest on a portion of the receivables (\$467 and \$533 at September 30, 2023 and 2022, respectively) with principal and interest (6.75% at September 30, 2023) payments due monthly. Interest income amounted to \$34 and \$52 for the years ended September 30, 2023 and 2022, respectively.

A brief description of CRHC's affiliated entities is as follows:

- Granite VNA (formerly Concord Regional Visiting Nurse Association, Inc. and Subsidiary) provides home health care services.
- Riverbend Community Mental Health, Inc. provides behavioral health services.

Contributions to affiliates and other community organizations from net assets with donor restrictions were \$302 and \$243 in 2023 and 2022, respectively.

3. Financial Assets and Liquidity Resources

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs, consisted of the following at September 30, 2023:

Cash and cash equivalents	\$ 79,917
Short-term investments	46,394
Accounts receivable	91,318
Funds held by trustee for insurance reserves, debt service and construction costs	<u>18,380</u>
	<u>\$236,009</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

3. Financial Assets and Liquidity Resources (Continued)

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents and short-term investments include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated assets without donor restrictions that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of September 30, 2023, the balance of liquid investments in board-designated assets was \$343,827.

4. Investments and Assets Whose Use is Limited or Restricted

Short-term investments totaling \$46,394 and \$15,322 at September 30, 2023 and 2022, respectively, are comprised primarily of cash and cash equivalents. Assets whose use is limited or restricted are carried at fair value and consist of the following at September 30:

	<u>2023</u>	<u>2022</u>
Board designated funds:		
Cash and cash equivalents	\$ 25,295	\$ 2,771
Fixed income securities	22,124	21,839
Marketable equity and other securities	326,500	301,116
Inflation-protected securities	<u>14,386</u>	<u>14,332</u>
	388,305	340,058
Held by trustee for workers' compensation reserves:		
Fixed income securities	2,967	2,501
Self-insurance escrows and construction funds:		
Cash and cash equivalents	1,255	8,648
Fixed income securities	13,357	24,074
Marketable equity securities	<u>17,381</u>	<u>14,895</u>
	31,993	47,617
Donor-restricted funds and restricted grants:		
Cash and cash equivalents	5,857	7,553
Fixed income securities	1,372	1,606
Marketable equity securities	24,965	23,091
Inflation-protected securities	1,100	1,020
Trust funds administered by others	10,208	9,836
Other	<u>592</u>	<u>408</u>
	<u>44,094</u>	<u>43,514</u>
	<u>\$467,359</u>	<u>\$433,690</u>

Included in marketable equity and other securities above are \$205,295 and \$203,040 at September 30, 2023 and 2022, respectively, in so called alternative investments and collective trust funds. See also Note 15.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

4. Investments and Assets Whose Use is Limited or Restricted (Continued)

Investment income (loss), net realized gains and losses and net unrealized gains and losses on assets whose use is limited or restricted, cash and cash equivalents, and other investments are as follows at September 30:

	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions:		
Interest and dividends	\$ 7,904	\$ 7,099
Investment income from trust funds administered by others	541	599
Net realized gains on sales of investments	5,383	4,079
Net unrealized gains (losses) on investments	<u>37,459</u>	<u>(61,177)</u>
	51,287	(49,400)
 Net assets with donor restrictions:		
Interest and dividends	432	465
Net realized gains on sales of investments	395	608
Net unrealized gains (losses) on investments	<u>3,209</u>	<u>(7,501)</u>
	<u>4,036</u>	<u>(6,428)</u>
	 <u>\$ 55,323</u>	 <u>\$ (55,828)</u>

In compliance with the System's spending policy, portions of investment income and related fees are recognized in other operating revenue on the accompanying consolidated statements of operations. Investment income reflected in other operating revenue was \$1,767 and \$2,300 in 2023 and 2022, respectively.

Investment management fees expensed and reflected in investment income (loss) and other were \$857 and \$922 for the years ended September 30, 2023 and 2022, respectively.

5. Retirement Plans

The System sponsors a defined contribution plan qualified under Section 403(b) of the U.S. Internal Revenue Code (IRC) covering eligible employees of the System. Participants are allowed to make pre-tax or post-tax Roth 403(b) contributions, or a combination of the two. The System does not make matching contributions. Effective January 1, 2024, the System elected to amend this plan to institute employer nonelective and matching contributions, based on certain eligibility requirements, as well as implementing an automatic deferral arrangement equal to 3% of eligible compensation, as further defined in the amendment.

The System sponsors two noncontributory defined benefit retirement plans (the Retirement Plan for Employees of Concord Hospital (CH Plan) and the Retirement Plan for Employees of Concord Hospital – Laconia (CH-Laconia Plan)), (collectively, the Plans), which cover substantially all employees of the System. The Plans provide benefits based on an employee's years of service, age and compensation over those years. The System's funding policy for the plans is to contribute annually the amount needed to meet or exceed actuarially determined minimum funding requirements of the *Employee Retirement Income Security Act of 1974* (ERISA).

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

5. Retirement Plans (Continued)

The System accounts for its defined benefit pension plans under ASC 715, *Compensation Retirement Benefits*, which requires entities to recognize an asset or liability for the overfunded or underfunded status of their benefit plans in their financial statements.

On September 26, 2022, the Plans were amended to offer certain participants age 62 and older the option to receive a lump-sum distribution as payment for grandfathered benefits. The eligible participants had 180 days to elect this benefit, beginning October 1, 2022.

During fiscal year 2022, the CH-Laconia Plan incurred a settlement charge due to lump sums paid in excess of the settlement threshold for the Plan year. The settlement charge totaled \$450 and is reflected as a component of net periodic benefit gain, other than service cost.

On October 24, 2022, the Board of Trustees approved a merger of the CH Plan into the CH-Laconia Plan. The merger of the Plans was effective December 31, 2022 and the surviving plan was named the Retirement Plan for Employees of Concord Hospital (Concord Hospital Plan).

Effective January 1, 2024, the Board of Trustees elected to amend the Concord Hospital Plan to discontinue future participation in the Plan by any employees who are hired or rehired after December 31, 2023, as further defined in the amendment.

The following table summarizes the Plans' funded status at September 30:

	<u>2023</u>	<u>2022</u>
Funded status:		
Fair value of plan assets	\$ 343,471	\$ 319,496
Projected benefit obligation	<u>(319,529)</u>	<u>(329,477)</u>
	<u>\$ 23,942</u>	<u>\$ (9,981)</u>
Activities for the year consist of:		
Benefit payments and administrative expenses paid	\$ 33,965	\$ 19,314
Net periodic benefit cost	8,565	15,198

The table below presents details about the Plans, including the funded status, components of net periodic benefit cost, and certain assumptions used in determining the funded status and cost:

	<u>2023</u>	<u>2022</u>
Change in benefit obligation:		
Projected benefit obligation at beginning of year	\$329,477	\$392,275
Service cost	13,298	16,519
Interest cost	18,596	13,217
Actuarial gain	(7,877)	(69,169)
Benefit payments and administrative expenses paid	(33,965)	(19,313)
Settlements and plan amendments	<u>—</u>	<u>(4,052)</u>
Projected benefit obligation at end of year	<u>\$319,529</u>	<u>\$329,477</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

5. Retirement Plans (Continued)

	<u>2023</u>	<u>2022</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$319,496	\$375,094
Actual gain (loss) on plan assets	41,940	(59,286)
Employer contributions	16,000	27,900
Benefit payments and administrative expenses	(33,965)	(19,313)
Settlements	<u>—</u>	<u>(4,899)</u>
Fair value of plan assets at end of year	<u>\$343,471</u>	<u>\$319,496</u>
Funded status and amount recognized in noncurrent assets (liabilities) at September 30	<u>\$ 23,942</u>	<u>\$ (9,981)</u>

Amounts recognized as a change in net assets without donor restrictions during the years ended September 30, 2023 and 2022 consist of:

	<u>2023</u>	<u>2022</u>
Net actuarial (gain) loss	\$ (23,273)	\$ 15,858
Net amortized loss	(3,372)	(10,149)
Prior service credit amortization	156	243
Impact of settlement	<u>—</u>	<u>(450)</u>
Total amount recognized	<u>\$ (26,489)</u>	<u>\$ 5,502</u>

Pension Plan Assets

The fair values of the Plans' assets as of September 30, 2023 and 2022, by asset category are as follows (see Note 15 for level definitions). In accordance with ASC 820, *Fair Value Measurements*, certain investments that are measured using the net value per share practical expedient have not been classified in the fair value hierarchy.

	<u>2023</u>	<u>2022</u>
Short-term investments (Level 1):		
Money market funds	\$ 12,804	\$ 4,114
Equity securities (Level 1):		
Mutual funds – domestic	145,825	115,233
Mutual funds – international	—	10,302
Mutual funds – inflation hedge	12,946	12,909
Fixed income securities (Level 1):		
Mutual funds – fixed income	<u>37,877</u>	<u>45,965</u>
	<u>209,452</u>	<u>188,523</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

5. Retirement Plans (Continued)

	<u>2023</u>	<u>2022</u>
Funds measured at net asset value:		
Equity securities:		
Funds-of-funds	\$ 81,170	\$ 81,961
Collective trust funds:		
Equities	46,327	40,727
Fixed income	<u>6,522</u>	<u>8,285</u>
	<u>52,849</u>	<u>49,012</u>
 Total investments at fair value	 <u>\$343,471</u>	 <u>\$319,496</u>

The Concord Hospital Plan's target asset policy guidelines include total short-term investments between 0% and 20%, total equity securities between 40%-80%, total fixed income securities between 5% and 80%, and other strategies between 0% and 30%. The CH Plan's target asset policy guidelines, prior to the merger of the Plans described above, included total short-term investments between 0% and 20%, total equity securities between 40%-80%, total fixed income securities between 5% and 80%, and other strategies between 0% and 30%. The CH-Laconia Plan's target asset policy guidelines, prior to the merger of the Plans described above, included total equity securities of 50% and total fixed income securities of 50%.

The Plans' asset allocations by asset category are as follows as of September 30:

	<u>2023</u>	<u>2022</u>
Short-term investments	4%	1%
Equity securities	70%	69%
Fixed income securities	13%	17%
Other	13%	13%

The funds-of-funds in the Concord Hospital Plan are invested with various investment managers and have various restrictions on redemptions. One manager holding amounts totaling approximately \$19 million at September 30, 2023 allows for semi-monthly redemptions, with 5 days' notice. One manager holding approximately \$9 million at September 30, 2023 allows for monthly redemptions, with 15 days' notice. Four managers holding amounts totaling approximately \$34 million at September 30, 2023 allow for quarterly redemptions, with notices ranging from 45 to 65 days. Two managers holding amounts totaling approximately \$16 million at September 30, 2023 allow for annual redemptions, with notices ranging from 60 to 90 days. One manager holding amounts totaling approximately \$3 million at September 30, 2023 allow for redemptions on a semi-annual basis, with a notice of 60 days. The collective trust funds allow for daily, weekly or monthly redemptions, with notices ranging from 6 to 10 days. Certain funds also may include a fee estimated to be equal to the cost the fund incurs in converting investments to cash, limit the percent of the investment that can be redeemed each redemption period, or are subject to certain lock periods.

The System considers various factors in estimating the expected long-term rate of return on plan assets. Among the factors considered include the historical long-term returns on plan assets, the current and expected allocation of plan assets, input from the System's actuaries and investment consultants, and long-term inflation assumptions. The System's expected allocation of plan assets is based on a diversified portfolio consisting of domestic and international equity securities, fixed income securities, and real estate.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

5. Retirement Plans (Continued)

The System's investment policy for its pension plans is to balance risk and returns using a diversified portfolio consisting primarily of high quality equity and fixed income securities. To accomplish this goal, plan assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The System monitors the maturities of fixed income securities so that there is sufficient liquidity to meet current benefit payment obligations. The System's Investment Committee provides oversight of the Plans' investments and the performance of the investment managers.

Amounts included in expense consist of the following for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Components of net periodic benefit cost:		
Service cost	\$ 13,298	\$ 16,519
Interest cost	18,596	13,217
Expected return on plan assets	(26,545)	(24,894)
Amortization of prior service credit and loss	3,216	9,906
Settlements	<u>—</u>	<u>450</u>
Net periodic benefit cost	<u>\$ 8,565</u>	<u>\$ 15,198</u>

The accumulated benefit obligation for the Plans at September 30, 2023 and 2022 was \$313,562 and \$315,168, respectively.

	<u>2023</u>	<u>2022</u>
Weighted average assumptions to determine benefit obligation:		
Discount rate	6.11%	5.63%
Rate of compensation increase	3.00%	3.00%
Weighted average assumptions to determine net periodic benefit cost:		
Discount rate	5.63%	3.33%
Expected return on plan assets	7.60%	6.50% - 7.75%
Cash balance credit rate	3.00% - 5.00%	5.00%
Rate of compensation increase	3.00%	2.50% - 3.00%

In selecting the long-term rate of return on plan assets, the System considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of the plans. This included considering the plans' asset allocation and the expected returns likely to be earned over the life of the plans, as well as the historical returns on the types of assets held and the current economic environment.

The System funds the pension plans and no contributions are made by employees. The System funds the plans annually by making a contribution of at least the minimum amount required by applicable regulations and as recommended by the System's actuary. However, the System may also fund the plans in excess of the minimum required amount.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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5. Retirement Plans (Continued)

Cash contributions in subsequent years will depend on a number of factors including performance of plan assets. However, the System expects to fund \$16,000 in cash contributions to the Concord Hospital Plan in 2024.

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year Ended September 30

2024	\$ 27,172
2025	24,447
2026	26,747
2027	28,696
2028	28,774
2029 – 2033	147,475

6. Estimated Third-Party Payor Settlements

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient and outpatient services rendered to Medicare program beneficiaries are primarily paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. In addition to this, the System is also reimbursed for medical education and other items which require cost settlement and retrospective review by the fiscal intermediary. Accordingly, the System files an annual cost report with the Medicare program after the completion of each fiscal year to report activity applicable to the Medicare program and to determine any final settlements.

The physician practices are reimbursed on a fee schedule basis.

Medicaid Enhancement Tax and Disproportionate Share Payment

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.40% of net patient service revenues in State fiscal years 2023 and 2022. The amount of tax incurred by the System for 2023 and 2022 was \$32,647 and \$32,035, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded within revenue without donor restrictions and other support and amounted to \$30,212 in 2023 and \$29,744 in 2022, net of reserves referenced below.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

6. Estimated Third-Party Payor Settlements (Continued)

The Centers for Medicare and Medicaid Services (CMS) has completed audits of the State's program and the disproportionate share payments made by the State from 2011 to 2019, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The System has recorded reserves to address its potential exposure based on the audit results to date or any future redistributions.

Subsequent to year end, the Hospital filed suit against the NH Department of Health and Human Services over their plan for the redistribution of DSH payments from 2011 to 2017. All amounts related to the redistribution plan have been fully reserved for as of September 30, 2023.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under fee schedules and cost reimbursement methodologies subject to various limitations or discounts. The System is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the System and audits thereof by the Medicaid program.

The physician practices are reimbursed on a fee schedule basis.

Other

The System has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges, fee schedules, and prospectively determined rates.

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated balance sheets represents the estimated net amounts to be paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provision. Settlements for the Hospital have been finalized through 2018 for Medicare and 2017 for Medicaid. Settlements for CH-Laconia have been finalized through 2019 for Medicare and Medicaid. Settlements for CH-Franklin have been finalized through 2021 for Medicare and 2019 for Medicaid.

During fiscal year 2020, the System requested accelerated Medicare payments as provided for in the CARES Act, which allowed for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. One year from the date of receipt of the advance payments (beginning April 2021) 25% of the advances were recouped in the first eleven months. An additional 25% of the advances were recouped in the next six months, with the entire amount repayable in 29 months. Any outstanding balance after 29 months was repayable at a 4% interest rate. During the third quarter of fiscal 2020, the System received \$57,885 from these accelerated Medicare payment requests. At September 30, 2022, the current portion due within a year, totaling \$248 was recorded under the caption "accrual for estimated third-party payor settlements" in the accompanying 2022 balance sheet. Amounts were repaid in full during the year ended September 30, 2023.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

7. Long-Term Debt

Long-term debt consists of the following at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue bonds, Concord Hospital Issue, Series 2021A; interest ranging from 3.0% to 5.0% per year and principal payable in annual installments ranging from \$1,685 to \$3,095 through October 2042, including unamortized original issue premium of \$6,219 in 2023 and \$6,950 in 2022	\$ 46,280	\$ 48,610
2020A note payable to a bank, due October 1, 2026, interest at 1.57% per annum, payable in monthly and annual principal payments ranging from \$2,469 to \$2,580	10,093	12,520
2020B note payable to a bank, due October 1, 2035 (lender has the option to extend the maturity date through October 1, 2043), interest at 2.26% per annum, payable in monthly and annual principal payments ranging from \$991 to \$2,942 beginning October 2023. Final balloon payment of \$10,157 due October 1, 2035, if the maturity date is not extended by the lender. This note converted into tax-exempt revenue bonds effective July 6, 2022. As a result of the conversion, the interest rate was reduced to 1.84%	36,582	36,582
NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2017; interest of 5.0% per year and principal payable in annual installments. Installments ranging from \$2,010 to \$5,965 beginning October 2032, including unamortized original issue premium of \$5,923 in 2023 and \$6,249 in 2022	<u>60,012</u>	<u>60,459</u>
	152,967	158,171
Less unamortized bond issuance costs	(1,298)	(1,415)
Less current portion	<u>(6,144)</u>	<u>(4,147)</u>
	<u>\$145,525</u>	<u>\$152,609</u>

In March 2020, the Hospital entered into a \$12,520 note payable agreement (2020A note) with a lender to advance refund \$11,780 of the Series 2011 NHHEFA Hospital Revenue Bonds. No amounts of the Series 2011 advance refunded bonds remained outstanding as of September 30, 2023 and 2022.

In March 2020, the Hospital entered into a \$36,582 note payable agreement (2020B note) with a lender to advance refund the Series 2013A NHHEFA Hospital Revenue Bonds. As of September 30, 2022 \$33,785 of the Series 2013A advance refunded bonds, which were considered extinguished for purposes of these consolidated financial statements, remained outstanding. No amounts of the Series 2013A advance refunded bonds remained outstanding as of September 30, 2023. In conjunction with the issuance of the 2020B note, in order to further reduce debt service obligations, the Hospital, NHHEFA and the lender entered into a forward purchase agreement. Under the forward purchase agreement, the Hospital had the option to request NHHEFA to issue tax-exempt revenue bonds on or after July 3, 2022 to refinance the 2020B note. The Hospital exercised this option on July 6, 2022, which resulted in the interest rate decreasing from 2.26% to 1.84%.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

7. Long-Term Debt (Continued)

In December 2017, \$62,004 (including an original issue premium of \$7,794) of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2017, were issued to pay for the construction of a new medical office building. In addition, the Series 2017 Bonds reimbursed the Hospital for capital expenditures incurred in association with the construction of a parking garage and the construction of a medical office building, as well as routine capital expenditures.

Substantially all the property and equipment relating to the aforementioned construction and renovation projects, as well as subsequent property and equipment additions thereto, are pledged as collateral for all outstanding long-term debt. In addition, the gross receipts of the Hospital, CH-Laconia and CH-Franklin are also pledged as collateral for all outstanding long-term debt. CH-Laconia and CH-Franklin also pledge gross receipts as collateral for the outstanding Series 2021A Revenue Bonds. The most restrictive financial covenants require a 1.10 to 1.0 ratio of aggregate income available for debt service to total annual debt service and a day's cash on hand ratio of 75 days. The System was in compliance with its debt covenants at September 30, 2023 and 2022.

The obligations of the Hospital under the above bond indentures are guaranteed by the Hospital, CH-Laconia and CH-Franklin and are not guaranteed by any of the subsidiaries or affiliated entities.

Interest paid on long-term debt amounted to \$5,215 and \$5,531 for the years ended September 30, 2023 and 2022, respectively.

The aggregate principal payments on long-term debt for the next five fiscal years ending September 30 and thereafter are as follows:

2024	\$ 6,144
2025	4,455
2026	5,181
2027	6,949
2028	4,516
Thereafter	<u>113,580</u>
	<u>\$140,825</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

8. Commitments and Contingencies

Malpractice Loss Contingencies

The System insures its medical malpractice risks through GSIE, a multiprovider captive insurance company. As discussed in Note 1, during 2022, GSIE began the process of winding down operations and was replaced with CHIG.

GSIE and CHIG provide claims-made medical stop loss coverage to their subscriber health systems. Subsequent to December 31, 2020, the System is the sole remaining subscriber of GSIE. The System is also the only subscriber of CHIG. GSIE and CHIG purchase reinsurance from three reinsurers to limit potential exposure to the System. The reinsurance policies in place are subject to renewal on January 1, 2024, and, after the System's primary retained layer of \$2 million (GSIE) and \$3 million (CHIG) per occurrence and \$12 million aggregate, cover up to \$25 million per occurrence and aggregate per annum. The failure of reinsurers to honor their obligations could result in additional losses to GSIE and CHIG, and those losses could be significant to GSIE, CHIG and the System.

The reserve for unpaid losses and loss adjustment expenses and the related reinsurance recoverables includes case basis estimates of reported losses, plus supplemental reserves for incurred but not reported losses (IBNR) calculated based upon loss projections utilizing historical and industry data. An independent consulting actuary is involved in establishing this reserve and the related reinsurance recoverables. Management of the System believes that GSIE's and CHIG's aggregate reserve for unpaid losses and loss adjustment expenses and related reinsurance recoverables at year-end represent its best estimate, based on the available data, of the amount necessary to cover the ultimate cost of losses; however, because of the nature of the insured risks and limited historical experience, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability and corresponding asset at the consolidated balance sheet date. Accordingly, the ultimate liability and corresponding asset could be significantly in excess of or less than the amount indicated in these consolidated financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current year operations. Amounts recoverable from reinsurers have been reduced to their net realizable value.

At September 30, 2023, there were no known malpractice claims outstanding for the System, which, in the opinion of management will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which require loss accruals. The System has established reserves for unpaid claim amounts for Hospital and Physician Professional Liability and General Liability reported claims and for unreported claims for incidents that have been incurred but not reported. The amounts of the reserves total \$17,690 and \$20,253 at September 30, 2023 and 2022, respectively, and are reflected in the accompanying consolidated balance sheets within reserves for insurance. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

8. Commitments and Contingencies (Continued)

In accordance with ASU No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2023 and 2022, the System recorded a liability of approximately \$3,100 and \$3,300, respectively related to estimated professional liability losses. At September 30, 2023 and 2022, the System also recorded a receivable of \$3,100 and \$3,300, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in reserve for insurance (\$3,100 at September 30, 2023 and \$3,300 at September 30, 2022), and other assets (\$3,100 at September 30, 2023 and \$3,300 at September 30, 2022), respectively, in the accompanying consolidated balance sheets.

Workers' Compensation

The System maintains workers' compensation insurance under a self-insurance plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the System against excessive losses. The System has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of \$4,061 and \$3,888 at September 30, 2023 and 2022, respectively, are recorded within accounts payable and accrued expenses in the accompanying consolidated balance sheets and have been discounted at 3% (both years) and, in management's opinion, provide an adequate reserve for loss contingencies. A trustee held fund has been established as a reserve under the plan. Assets held in trust totaled \$2,967 and \$2,501 at September 30, 2023 and 2022, respectively, and are included in assets whose use is limited or restricted in the accompanying consolidated balance sheets.

Litigation

The System is involved in litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's financial position, results of operations or cash flows.

Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The System recognizes revenue for services provided to employees of the System during the year. The System is insured above a stop-loss amount of \$550 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2023 and 2022, have been recorded as a liability of \$13,631 and \$13,286, respectively, and are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

9. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

	<u>2023</u>	<u>2022</u>
Purpose restriction:		
Health education and program services	\$ 18,770	\$ 18,991
Capital acquisitions	441	610
Indigent care	83	116
Pledges receivable with stipulated purpose and/or time restrictions	<u>575</u>	<u>391</u>
	19,869	20,108
 Perpetual in nature:		
Health education and program services	20,859	20,225
Capital acquisitions	803	803
Indigent care	2,105	2,105
Annuities to be held in perpetuity	<u>458</u>	<u>273</u>
	<u>24,225</u>	<u>23,406</u>
 Total net assets with donor restrictions	 <u>\$44,094</u>	 <u>\$43,514</u>

10. Patient Service Revenue

An estimated breakdown of patient service revenue for the System by major payor sources is as follows for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Private payor (includes coinsurance and deductibles)	\$388,492	\$391,300
Medicare	282,111	276,967
Medicaid	34,880	40,340
Self-pay	<u>275</u>	<u>789</u>
	<u>\$705,758</u>	<u>\$709,396</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

11. Functional Expenses

The System provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	<u>Health Services</u>	<u>General and Administrative</u>	<u>Fund- raising</u>	<u>Total</u>
<u>2023</u>				
Salaries and wages	\$316,143	\$ 60,492	\$ 574	\$377,209
Employee benefits	68,381	13,086	124	81,591
Supplies and other	131,206	21,241	188	152,635
Purchased services	37,677	19,896	223	57,796
Professional fees	17,021	–	–	17,021
Depreciation and amortization	18,310	8,692	289	27,291
Medicaid enhancement tax	32,647	–	–	32,647
Interest	<u>2,868</u>	<u>1,362</u>	<u>45</u>	<u>4,275</u>
	<u>\$624,253</u>	<u>\$124,769</u>	<u>\$ 1,443</u>	<u>\$750,465</u>
 <u>2022</u>				
Salaries and wages	\$320,669	\$ 59,597	\$ 580	\$380,846
Employee benefits	77,767	14,455	141	92,363
Supplies and other	135,008	21,486	180	156,674
Purchased services	33,227	17,988	177	51,392
Professional fees	16,495	3	–	16,498
Depreciation and amortization	19,424	9,222	307	28,953
Medicaid enhancement tax	32,035	–	–	32,035
Interest	<u>3,065</u>	<u>1,455</u>	<u>48</u>	<u>4,568</u>
	<u>\$637,690</u>	<u>\$124,206</u>	<u>\$ 1,433</u>	<u>\$763,329</u>

The consolidated financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Employee benefits are allocated in accordance with the ratio of salaries and wages of the functional classes. Specifically identifiable costs are assigned to the function which they are identified to.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

12. Charity Care and Community Benefits (Unaudited)

The System maintains records to identify and monitor the level of charity care it provides. The System provides traditional charity care, as well as other forms of community benefits. The estimated cost of all such benefits provided is as follows for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Government sponsored healthcare	\$ 35,353	\$ 36,515
Community health services	1,507	1,281
Health professions education	2,801	2,038
Subsidized health services	52,622	50,929
Research	306	131
Financial contributions	1,405	1,440
Community benefit operations	68	89
Community building activities	786	414
Charity care costs (see Note 1)	<u>3,465</u>	<u>3,389</u>
	<u>\$ 98,313</u>	<u>\$ 96,226</u>

The System incurred estimated costs for services to Medicare patients in excess of the payment from this program of \$82,230 and \$78,563 in 2023 and 2022, respectively.

13. Concentration of Credit Risk

The System grants credit without collateral to its patients, most of whom are local residents of southern New Hampshire and are insured under third-party payor agreements. The mix of gross receivables from patients and third-party payors as of September 30 is as follows:

	<u>2023</u>	<u>2022</u>
Patients	9%	8%
Medicare	38	42
Anthem Blue Cross	19	18
Cigna	3	3
Medicaid	10	11
Commercial	19	16
Workers' compensation	<u>2</u>	<u>2</u>
	<u>100%</u>	<u>100%</u>

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

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14. Volunteer Services (Unaudited)

Total volunteer service hours received by the System were approximately 25,000 and 23,000 in 2023 and 2022, respectively. The volunteers provide various nonspecialized services to the System, none of which has been recognized as revenue or expense in the accompanying consolidated statements of operations.

15. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the System uses various methods including market, income and cost approaches. Based on these approaches, the System often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the System is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. There have been no changes in the methodologies used at September 30, 2023 and 2022. In accordance with ASC 820, *Fair Value Measurements*, certain investments that are measured using the net value per share practical expedient have not been classified in the fair value hierarchy.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

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(In thousands)

15. Fair Value Measurements (Continued)

The following presents the balances of assets measured at fair value on a recurring basis at September 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2023</u>				
Cash and cash equivalents	\$ 78,801	\$ –	\$ –	\$ 78,801
Fixed income securities	25,471	10,177	–	35,648
Marketable equity and other securities	163,551	–	–	163,551
Inflation-protected securities and other	16,078	–	–	16,078
Trust funds administered by others	<u>–</u>	<u>–</u>	<u>10,208</u>	<u>10,208</u>
	<u>\$283,901</u>	<u>\$10,177</u>	<u>\$10,208</u>	304,286
Funds measured at net asset value:				
Marketable equity and other securities				<u>205,295</u>
				<u>\$509,581</u>
<u>2022</u>				
Cash and cash equivalents	\$ 34,294	\$ –	\$ –	\$ 34,294
Fixed income securities	35,203	10,645	–	45,848
Marketable equity and other securities	136,062	–	–	136,062
Inflation-protected securities and other	15,760	–	–	15,760
Trust funds administered by others	<u>–</u>	<u>–</u>	<u>9,836</u>	<u>9,836</u>
	<u>\$221,319</u>	<u>\$10,645</u>	<u>\$ 9,836</u>	241,800
Funds measured at net asset value:				
Marketable equity and other securities				<u>203,040</u>
				<u>\$444,840</u>

In addition, for the years ended September 30, 2023 and 2022, there are certain investments totaling \$4,172 which are appropriately being carried at cost.

The System's Level 3 investments consist of funds administered by others. The fair value measurement is based on significant unobservable inputs.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated balance sheets and statements of operations.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

(In thousands)

15. Fair Value Measurements (Continued)

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for 2023 and 2022:

	Trust Funds Administered by Others
Balance at September 30, 2021	\$ 12,341
Net realized and unrealized losses	<u>(2,505)</u>
Balance at September 30, 2022	9,836
Net realized and unrealized gains	<u>372</u>
Balance at September 30, 2023	<u>\$ 10,208</u>

The table below sets forth additional disclosures for investment funds (other than mutual funds) valued based on net asset value to further understand the nature and risk of the investments by category:

	Fair Value	Unfunded Commit- ments	Redemption Frequency	Redemption Notice Period
September 30, 2023:				
Funds-of-funds	\$ 22,628	\$ —	Semi-monthly	5 days
Funds-of-funds	12,007	—	Monthly	15 days
Funds-of-funds	44,264	—	Quarterly	45 – 65 days**
Funds-of-funds	13,621	—	Annual	60 - 90 days
Funds-of-funds	4,657	—	Semi-annual	60 days*
Funds-of-funds	47,870	32,327	Illiquid	N/A
Collective trust funds	7,032	—	Daily	10 days
Collective trust funds	7,641	—	Weekly	10 days
Collective trust funds	45,575	—	Monthly	6 – 10 days
September 30, 2022:				
Funds-of-funds	\$ 18,489	\$ —	Semi-monthly	5 days
Funds-of-funds	9,645	—	Monthly	15 days
Funds-of-funds	53,791	—	Quarterly	45 – 65 days**
Funds-of-funds	10,329	—	Annual	90 days
Funds-of-funds	8,250	—	Semi-annual	60 days*
Funds-of-funds	42,296	25,854	Illiquid	N/A
Collective trust funds	12,582	—	Daily	10 days
Collective trust funds	7,008	—	Weekly	10 days
Collective trust funds	40,650	—	Monthly	6 – 10 days

* Limited to 25% of the investment balance at each redemption. A full redemption of this fund is in progress as of September 30, 2023.

** One investment has a one-year lock period and redemption of one investment is limited to 12.5% of the investment balance at each redemption.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

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(In thousands)

15. **Fair Value Measurements (Continued)**

Fixed Income Securities

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction.

Marketable Equity and Other Securities

The primary purpose of marketable equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total marketable equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

The System invests in other securities that are considered alternative investments that consist of limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. Collective trust funds are generally valued based on the proportionate share of total fund net assets.

System management is responsible for the fair value measurements of investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions and is estimated using the net asset value per share of the fund. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

The System has committed to invest up to \$73,183 with various investment managers, and had funded \$33,856 of that commitment as of September 30, 2023. As these investments are made, the System reallocates resources from its current investments resulting in an asset allocation shift within the investment pool.

Inflation-Protected Securities

The primary purpose of inflation-protected securities is to provide protection against the negative effects of inflation.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

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September 30, 2023 and 2022

(In thousands)

15. Fair Value Measurements (Continued)

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts and pledges receivable, accounts payable and accrued expenses, estimated third-party payor settlements, and long-term debt and notes payable. The fair value of all financial instruments other than long-term debt and notes payable approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value.

16. Leases

Adoption of ASC Topic 842, Leases (ASC 842)

The System has various leases relative to its office and offsite locations. ASC 842 became effective for the System on October 1, 2022 and was adopted using the modified retrospective method for all leases that had commenced as of the effective date, along with certain available practical expedients. The System elected to recognize any effects of applying the new standard as a cumulative-effect adjustment to the opening balance of net assets in the period of adoption, which there were none. In addition, the System elected to adopt the package of practical expedients permitted under the transition guidance within the new standard. The practical expedient package applied to leases that commenced prior to the effective date of the new standard and permits a reporting entity not to: i) reassess whether any expired or existing contracts are or contain leases, ii) reassess the historical lease classification for any expired or existing leases, and iii) reassess initial direct costs for any existing leases. The reporting results for fiscal year 2023 reflect the application of ASC 842 guidance while the historical results for fiscal year 2022 were prepared under the guidance of ASC 840. The adoption of the new standard did not have a significant impact upon the System's consolidated statements of operations, changes in net assets and cash flows. The adoption of the new standard resulted in the following impact: the recording of right-of-use assets and corresponding lease liabilities pertaining to the System's operating leases on the accompanying 2023 consolidated balance sheet.

Operating lease right-of-use assets and operating lease liabilities are reported in the System's 2023 consolidated balance sheet as follows:

Operating lease right-of-use assets	<u>\$26,252</u>
Current portion of operating lease liabilities	\$ 5,406
Operating lease liabilities, less current portion	<u>21,091</u>
Total operating lease liabilities	<u>\$26,497</u>

During the year ended September 30, 2023, the total lease cost associated with the System's operating leases was \$6,319.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

16. Leases (Continued)

Supplemental Cash Flow Information

Supplemental cash flow information is as follows for the fiscal year ended September 30, 2023:

Operating leases – operating cash flows (fixed payments)	\$ 6,073
Operating leases - right-of-use assets and operating lease liabilities recorded upon adoption of ASU 842	28,636
Operating leases - right-of-use assets obtained in exchange for new operating lease liabilities	2,876

Lease Term and Discount Rate

Lease term and discount rate are as follows for the fiscal year ended September 30, 2023:

Weighted-average remaining lease term (in years)	6.97
Weighted-average discount rate	3.91%

As of September 30, 2023, maturities of operating lease liabilities for each of the following five years were as follows:

2024	\$ 6,324
2025	5,183
2026	4,091
2027	3,175
2028	3,091
Thereafter	<u>8,588</u>
 Total minimum future lease payments	 30,452
 Less imputed interest	 <u>(3,955)</u>
 Total lease liabilities	 <u>\$26,497</u>

As of September 30, 2022, future minimum lease payments prepared under the previous guidance of ASC 840 were as follows:

2023	\$ 8,078
2024	7,038
2025	5,590
2026	3,333
2027	2,967
Thereafter	<u>10,826</u>
	<u>\$37,832</u>

Rent expense was \$9,532 for the year ended September 30, 2022.