



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF COMMUNITY BASED CARE SERVICES
BUREAU OF BEHAVIORAL HEALTH

Nicholas A. Toumpas
Commissioner

105 PLEASANT STREET, CONCORD, NH 03301
603-271-5000 1-800-852-3345 Ext. 5000
Fax: 603-271-5058 TDD Access: 1-800-735-2964

Nancy L. Rollins
Associate Commissioner

February 25, 2013

RETRO

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

SOLE SOURCE

Requested Action

Authorize the Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health, to **retroactively amend a sole source agreement** (purchase order 1017300) with Harbor Homes, Inc., 45 High Street, Nashua, NH 03064, vendor number 155358, to expand the Housing Bridge Subsidy program for persons with mental illness who are homeless or at risk of becoming homeless by increasing the price limitation by \$81,280 from \$2,410,723 to an amount not to exceed \$2,492,003, retroactive to January 28, 2013. Governor and Executive Council approved the original agreement on July 13, 2011, Late Item B and an amendment on June 20, 2012, Item 79.

35% FED 65% GEN

Funds to support this request are available in the following accounts in State Fiscal Year 2013:

05-95-92-920010-5945 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH-DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2012	102-0731	Contracts for program services	\$ 0	\$ 0	\$ 0
2013	102-0731	Contracts for program services	\$ 369,323	\$ 0	\$ 369,323
		Subtotal	\$ 369,323	\$ 0	\$ 369,323

05-95-92-920010-7010 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH-DIV OF, DIV OF BEHAVIORAL HEALTH, COMMTY MENTAL HEALTH SVCS

Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2012	502-0731	Payments to providers	\$ 832,200	\$ 0	\$ 832,200
2013	502-0731	Payments to providers	\$ 1,168,200	\$ 81,280	\$ 1,249,480
		Subtotal	\$ 2,000,400	\$ 81,280	\$ 2,081,680

**05-95-92-920010-7861 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,
 HHS: BEHAVIORAL HEALTH - DIV OF, DIV OF BEHAVIORAL HEALTH, OLMSTEAD GRANT**

Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2012	102-0731	Contracts for program services	\$ 0	\$ 0	\$ 0
2013	102-0731	Contracts for program services	\$ 41,000	\$ 0	\$ 41,000
		Subtotal	\$ 41,000	\$ 0	\$ 41,000
		Total	\$2,410,723	\$ 81,280	\$ 2,492,003

Explanation

The purpose of this request is to provide access to New Hampshire Hospital for acutely mentally ill individuals awaiting admission, while being treated in hospital emergency rooms throughout the State. General hospital emergency rooms are not equipped to address the needs of these individuals. The backlog of individuals requiring mental health treatment at New Hampshire Hospital is the result of the reduction of available beds at New Hampshire Hospital and the loss of hospital inpatient psychiatric beds throughout the State over several years. This amendment provides an immediate partial solution to this crisis by expanding the current Housing Bridge Subsidy Program services provided by Harbor Homes, Inc. to include housing in the community for persons currently at New Hampshire Hospital who are awaiting discharge, thereby freeing up beds for those persons experiencing acute mental health episodes while waiting in hospital emergency rooms. The Housing Bridge Subsidy program has been extremely successful since its inception in establishing housing for individuals with serious mental illness who are homeless or at risk of becoming homeless. The community residential services included in this contract are not subject to competitive bidding because these services may only be provided by a Community Mental Health Provider who has entered into an interagency agreement under He-M 426.04 with a Community Mental Health Program designated under RSA 135-C:7 and approved under He-M 403. Harbor Homes, Inc. is the sole such provider. The amendment is retroactive because of the acute necessity that these services begin timely to begin to address the backlog of individuals in need of treatment. The amendment was prepared as quickly as time allowed.

The Bureau of Behavioral Health, along with stakeholders, developed a 10-year mental health plan for New Hampshire, *“Addressing the Critical Mental Health Needs of New Hampshire’s Citizens - A Strategy for Restoration”* and unveiled it in August 2008. The 10-year plan was viewed as an innovative effort by the Governor, NH Legislators, the New Hampshire State Mental Health Planning Council, and the New Hampshire Community Behavioral Health Association. The Housing Bridge Subsidy Program was a key recommendation in the 10-year mental health plan. The program provided a housing subsidy for individuals who have a severe mental illness and were eligible and on the waiting list for a Section 8 housing voucher.

The \$81,280 in state general funds in this amendment will be used to subsidize up to 23 individuals' rent for the remainder of Fiscal Year 2013 with the ultimate goal being the acquisition of a Section 8 voucher. The focus of the Housing Bridge Subsidy Program with this amendment will be to prioritize individuals at New Hampshire Hospital. Program participants must qualify for Section 8 assistance and meet the program and income requirements for that program in order to be eligible, and remain eligible for the Housing Bridge Subsidy Program. Program participants must have already applied for Section 8 assistance, or apply as part of their acceptance into the Program. Additionally, program participants must have also been determined eligible for community mental health services pursuant to he-M 401.

All of the individuals served will be connected with community mental health services in the local community to help support the individual in maintaining their apartment, prevent a further episode of homelessness, and promote the individual's independence and personal recovery goals. Although the Bureau of Behavioral Health and community mental health center staff work to ensure a connection to community mental health services, the support of the individual's rent is not contingent upon an acceptance of services.

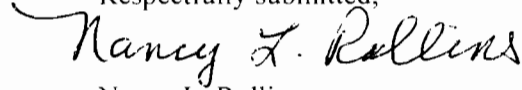
The performance of the program is monitored through the required submission of monthly, quarterly, and annual performance reports regarding the performance of the program and the individuals it serves, as well as ongoing data reporting on the Homeless Management Information System.

Without this amendment, the state would be foregoing the option with the quickest turnaround to alleviate the problem of backlogs of individuals in hospital emergency rooms waiting to be admitted to New Hampshire Hospital. This amendment allows the state to take advantage of an up-and-running program that has been very successful in providing housing to persons with mental illness and keeping them in the community.

Area served: Statewide.

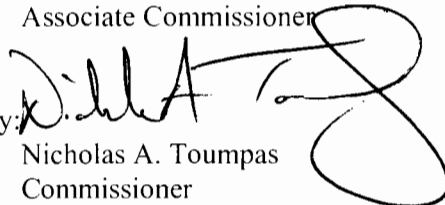
Source of funds: 65% General Funds, 35% Federal Funds.

Respectfully submitted,



Nancy L. Rollins
Associate Commissioner

Approved by:



Nicholas A. Toumpas
Commissioner

Amendment to Agreement

This Amendment to Agreement (hereinafter called the "Amendment") is dated this 7th day of March, 2013, between the State of New Hampshire, Division of Community Based Care Services, Bureau of Behavioral Health of the Department of Health and Human Services (hereinafter called "BBH") and Harbor Homes, Inc., a non-profit corporation organized under the laws of the State of New Hampshire with a place of business at 45 High Street, Nashua, New Hampshire 03064 (hereinafter referred to as the "Contractor").

WHEREAS, pursuant to an Agreement dated July 8, 2011, and an Amended Agreement dated May 30, 2012, the Contractor has agreed to provide certain services upon the terms and conditions specified in the Agreement, in consideration of payment by BBH of certain sums specified therein; and

WHEREAS, pursuant to Paragraph 17. of the Agreement, the Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties thereto and only after approval of such amendment, waiver, or discharge by the Governor and Executive Council of the State of New Hampshire;

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

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

1. Amendment and Modification of Agreement.

1.1. The Agreement is hereby amended as follows:

By deleting, in Subparagraph 1.8. of the General Provisions \$2,410,723 and substituting therefore the number \$2,492,003.

2. Amendment and Modification to Exhibit A, Scope of Work

2.1. By adding the following to Section I of Exhibit A:

Q. The contractor shall continue to provide rental subsidies for up to 23 additional individuals with a focus on clients at New Hampshire Hospital.


3. Amendment and Modification to Exhibit B, Methods of Payment.

3.1. In Paragraph 12. by deleting the NH General Funds of \$1,121,423 for FY13 and substituting the amount of \$1,202,703 as follows:

<u>NH General Funds:</u>	\$ 416,100	FY12
	\$1,202,703	FY13

4. Effective Date of Amendment: The Effective Date of this action is retroactive to January 28, 2013, through June 30, 2013.

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

Contractor Initials: 
Date: 3/7/13

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

The Bureau of Behavioral Health

Harbor Homes, Inc.

By: Nancy L. Rollins
Nancy L. Rollins
Associate Commissioner

By: Peter Kelleher
Peter Kelleher
President & CEO

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The forgoing instrument was acknowledged before me this 7th day of March, 2013, by

Laurie Goguen
Board Secretary.

Joan Sementa
Notary Public & Justice of the Peace
Commission Expires: 12/5/2017
JOAN C. SEMENTA
Notary Public - New Hampshire
My Commission Expires December 5, 2017

Approved as to form, execution and substance:

OFFICE OF THE ATTORNEY GENERAL

By: Jeanne Herrick
Jeanne Herrick, Attorney
Date: 27 Mar. 2013

Contractor Initials: PK
Date: 3/7/13

CERTIFICATE OF VOTE

I, Laurie Goguen, do hereby certify that:

1. I am the duly elected Clerk of Harbor Homes, Inc.
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on January 28, 2013.

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health, concerning the following matter:

To Provide: Mental Health Services, Housing Bridge Subsidy program

RESOLVED: That the President and or Treasurer hereby is authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as (s)he may deem necessary, desirable or appropriate.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of March 7, 2013.
4. Peter Kelleher is duly elected President & CEO of the Corporation.

(Seal)
(Corporation)

Laurie Goguen
(Signature of Board Secretary)

State of New Hampshire

County of Hillsborough

The foregoing instrument was acknowledged before me this 7th day of March, 2013 by

Laurie Goguen
Board Secretary

Mary Benzel / MARY BENDEL

Print/Type Name:

Title: Notary Public/Justice of the Peace

(Seal)
(Notary Public)

Commission Expires: _____

MARY BENDEL
NOTARY PUBLIC
State of New Hampshire
My Commission Expires
April 5, 2016



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

We have audited the accompanying statement of financial position of Harbor Homes, Inc., a (nonprofit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows, for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc., as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated January 8, 2013 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2012 on our consideration of the Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Melanson, Heath + Company P.C.
Nashua, New Hampshire
September 10, 2012

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2012

<u>ASSETS</u>	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>	<u>Total</u>
Current Assets:				
Cash and cash equivalents	\$ 10,581	\$ 99	\$ 778,900	\$ 789,580
Accounts receivable, net of allowance for uncollectible accounts	2,274	8,151	735,916	746,341
Promises to give	-	-	25,000	25,000
Due from HUD Programs	-	-	349	349
Due from related organizations	-	-	115,338	115,338
Prepaid expenses	-	-	4,839	4,839
Total Current Assets	<u>12,855</u>	<u>8,250</u>	<u>1,660,342</u>	<u>1,681,447</u>
Property and Equipment, net of accumulated depreciation	78,478	307,862	13,093,058	13,479,398
Non-current Assets:				
Restricted deposits and funded reserves	89,404	60,855	125,868	276,127
Due from HUD Programs	-	-	64,302	64,302
Due from related organizations	-	-	340,861	340,861
Beneficial interest	-	-	116,175	116,175
Total Non-current Assets	<u>89,404</u>	<u>60,855</u>	<u>647,206</u>	<u>797,465</u>
Total Assets	<u>\$ 180,737</u>	<u>\$ 376,967</u>	<u>\$ 15,400,606</u>	<u>\$ 15,958,310</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts payable	\$ 2,179	\$ 455	\$ 287,678	\$ 290,312
Accrued and other liabilities	1,450	6,031	370,714	378,195
Due to program operations	349	-	-	349
Due to related organizations	-	-	98,707	98,707
Line of credit	-	-	809,999	809,999
Current portion of mortgages payable	11,689	3,931	187,232	202,852
Total Current Liabilities	<u>15,667</u>	<u>10,417</u>	<u>1,754,330</u>	<u>1,780,414</u>
Long Term Liabilities:				
Due to program operations	-	64,302	-	64,302
Due to related organizations	-	-	75,000	75,000
Security deposits	2,125	798	37,642	40,565
Mortgages payable, tax credits	-	-	184,497	184,497
Mortgages payable, net of current portion	176,441	238,496	5,156,420	5,571,357
Mortgages payable, deferred	-	-	4,706,134	4,706,134
Total Long Term Liabilities	<u>178,566</u>	<u>303,596</u>	<u>10,159,693</u>	<u>10,641,855</u>
Total Liabilities	194,233	314,013	11,914,023	12,422,269
Unrestricted Net Assets (Deficit):				
HUD programs	(13,496)	62,954	-	49,458
Program operations	-	-	3,462,173	3,462,173
Temporarily Restricted Net Assets	-	-	24,410	24,410
Total Net Assets (Deficit)	<u>(13,496)</u>	<u>62,954</u>	<u>3,486,583</u>	<u>3,536,041</u>
Total Liabilities and Net Assets	<u>\$ 180,737</u>	<u>\$ 376,967</u>	<u>\$ 15,400,606</u>	<u>\$ 15,958,310</u>

See accompanying notes to the financial statements.

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2012

	Unrestricted Net Assets			Temporarily Restricted Net Assets	Total
	HUD I Program	HUD VI Program	Program Operations		
<u>Public Support and Revenue:</u>					
Public Support:					
Federal grants	\$ -	\$ -	\$ 2,455,999	\$ -	\$ 2,455,999
State, local, and other grants	-	-	429,466	-	429,466
Donations in-kind	-	-	179,906	-	179,906
Donations	-	-	86,202	9,500	95,702
Net assets released from restriction	-	-	5,291	(5,291)	-
Total Public Support	-	-	3,156,864	4,209	3,161,073
<u>Revenue:</u>					
Department of Housing and Urban Development	85,521	6,737	2,441,785	-	2,534,043
Veterans Administrative grants	-	-	978,269	-	978,269
Medicaid - Federal and State	-	-	825,432	-	825,432
Client fees:					
Rent and service charges, net	26,702	1,600	293,382	-	321,684
Food and common area fees	-	-	67,200	-	67,200
Outside rent	-	-	170,600	-	170,600
Miscellaneous	-	85,883	8,119	-	94,002
Employment projects	-	-	66,621	-	66,621
Sliding fee and free care	-	-	20,531	-	20,531
Medicare revenue	-	-	5,036	-	5,036
Fundraising revenue	-	-	13,124	-	13,124
Gain on disposal of fixed assets	-	-	7,500	-	7,500
Management fees	-	-	2,805	-	2,805
Interest	96	-	265	-	361
Unrealized gain/(loss)	-	-	(966)	-	(966)
Bad debts	-	-	(49,404)	-	(49,404)
Total Revenue	112,319	94,220	4,850,299	-	5,056,838
Total Public Support and Revenue	112,319	94,220	8,007,163	4,209	8,217,911
<u>Expenses:</u>					
Program	86,600	29,935	7,081,082	-	7,197,617
Administration	13,573	1,331	1,047,065	-	1,061,969
Fundraising	-	-	183,057	-	183,057
Total Expenses	100,173	31,266	8,311,204	-	8,442,643
Change in net assets	12,146	62,954	(304,041)	4,209	(224,732)
Net Assets (Deficit), Beginning of Year	(25,642)	-	3,766,214	20,201	3,760,773
Net Assets (Deficit), End of Year	\$ (13,496)	\$ 62,954	\$ 3,462,173	\$ 24,410	\$ 3,536,041

See accompanying notes to the financial statements.

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2012

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Accounting fees	\$ -	\$ 34,433	\$ -	\$ 34,433
Advertising and printing	6,456	187	4,958	11,601
Client services and assistance	29,962	9	-	29,971
Client transportation	19,814	32	683	20,529
Conference and conventions	18,701	19,393	161	38,255
Contract labor	61,709	13,868	-	75,577
Employee benefits	499,946	151,283	20,859	672,088
Enabling services	3,380	-	-	3,380
Equipment rental	1,351	4,127	-	5,478
Food	59,553	-	-	59,553
Garbage and trash removal	11,876	2,641	-	14,517
Grants	262,435	-	-	262,435
Information technology	139,300	10,161	-	149,461
Interest expense - mortgage	305,005	33,110	-	338,115
Interest expense - other	468	31,032	-	31,500
Journals and publications	800	241	-	1,041
Legal fees	11,087	78,509	-	89,596
Medical and clothing	186,773	200	-	186,973
Membership dues	28,077	-	935	29,012
Office supplies	41,000	6,845	2,021	49,866
Operating and maintenance	137,338	11,757	50	149,145
Operational supplies	55,396	3,908	-	59,304
Other expenditures	8,924	15,026	-	23,950
Payroll taxes	221,773	48,654	12,244	282,671
Postage/shipping	2,755	4,428	371	7,554
Professional fees	94,867	979	-	95,846
Property and liability insurance	69,593	7,340	-	76,933
Property taxes	14,108	-	-	14,108
Rent expense	1,700,280	-	-	1,700,280
Salary and wages	2,393,010	450,660	134,462	2,978,132
Snow removal	1,086	-	-	1,086
Staff development	7,351	-	-	7,351
Staff expense	6,024	2,763	184	8,971
Staff transportation	17,219	12,057	1,133	30,409
Telephone/communications	71,962	10,731	3,519	86,212
Utilities	225,268	18,427	1,477	245,172
Vehicle expenses	22,597	735	-	23,332
Total Expenses Before Depreciation	<u>6,737,244</u>	<u>973,536</u>	<u>183,057</u>	<u>7,893,837</u>
Depreciation	<u>460,373</u>	<u>88,433</u>	<u>-</u>	<u>548,806</u>
Total Expenses	<u>\$ 7,197,617</u>	<u>\$ 1,061,969</u>	<u>\$ 183,057</u>	<u>\$ 8,442,643</u>

See accompanying notes to the financial statements.

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2012

Cash Flows From Operating Activities:	
Change in net assets	\$ (224,732)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	548,806
Loss on beneficial interest	1,580
(Increase) Decrease In:	
Accounts receivable	131,853
Prepaid expenses	38,271
Increase (Decrease) In:	
Accounts payable	68,632
Accrued and other liabilities	(58,004)
Deferred revenue	(1,819)
Net Cash Provided by Operating Activities	<u>504,587</u>
Cash Flows From Investing Activities:	
Restricted deposits and funded reserves	3,123
Security deposits	1,346
Purchase of fixed assets	(102,539)
Net Cash Used by Investing Activities	<u>(98,070)</u>
Cash Flows From Financing Activities:	
Proceeds from line of credit	100,000
Proceeds from long term borrowings	184,868
Payments on long term borrowings	(275,356)
Net change in due to/from related organizations	(181,828)
Net Cash Used by Financing Activities	<u>(172,316)</u>
Net Increase	234,201
Cash and Cash Equivalents, Beginning of Year	<u>555,379</u>
Cash and Cash Equivalents, End of Year	<u>\$ 789,580</u>
Supplemental disclosures of cash flow information:	
Interest paid	<u>\$ 411,978</u>
Non-cash financing activities	<u>\$ 1,167,932</u>

See accompanying notes to the financial statements.

KEY ADMINISTRATIVE PERSONNEL - FY2012-2013

HARBOR HOMES

Postion	Name	FTEs	Salary	Salary contributed from BBH	% of Salary from BBH
Executive Director	Peter Kelleher	0.12	\$ 16,401.00	\$ 11,379.17	69%
Chief Financial Officer	Patricia Robitaille	0.19	\$ 13,640.00	\$ 9,463.56	69%
Chief Operations Officer	Carol Furlong	0.25	\$ 25,110.00	\$ 17,421.56	69%

Mission Statements

Harbor Homes, Inc.:

The mission of Harbor Homes, Inc. is to create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.

Welcoming Light Inc.:

To provide residential and support services to elderly and disabled individuals in a manner that is compassionate, flexible, and emphasizes independence

Milford Regional Counseling Services, Inc.:

To provide affordable counseling services to individuals and families

Greater Nashua Council on Alcoholism, Inc.

"To empower the chemically dependent person to take responsibility toward recovery through professional counseling in a caring environment"

Healthy at Home, Inc.:

To enhance the lives of people with illness or injury through a cooperative relationship with the community, professional medical service providers, and organizations that serve people in need of healthcare

HARBOR HOMES, INC. AND AFFILIATES BOARD OF DIRECTORS

March, 2012

**(Harbor Homes, Inc., HH Ownership, Inc., Welcoming Light, Inc., Healthy At Home, Inc.,
Milford Regional Counseling Services, Inc., Greater Nashua Council on Alcoholism, Inc., Southern NH HIV Task Force)**

Chair

Robert Fischer (12/13)

Vice Chair

Thomas I. Arnold, III (12/12)

Treasurer

David Aponovich (12/12)

Secretary

Laurie Goguen (12/13)

Pastor Geoff DeFranca (12-14)

Alphonse Haettenschwiller (12/14)

Sean McGuinness (12/12)

David Ross (12/14)

Captain James Lima (12/14)

Dean Shalhoup (12/12)

Trent Smith (12/13)

Dan Sallet (12-13)

PETER J. KELLEHER, LCSW, LICSW

PROFESSIONAL EXPERIENCE

- 2006-Present** **President & CEO, Southern NH HIV Task Force**
- 2002-Present** **President & CEO, GNCA, Nashua, NH**
- 1997-Present** **President & CEO, Healthy at Home, Inc., Nashua, NH**
- 1995-Present** **President & CEO, Milford Regional Counseling Services, Inc., Milford, NH**
- 1995-Present** **President & CEO, Welcoming Light, Inc., Nashua, NH**
- 1982-Present** **President & CEO, Harbor Homes, Inc., Nashua, NH**
Currently employed as President & Chief Executive Officer for nonprofit corporation (and affiliates) providing residential, supported employment, and social club services for persons with long-term mental illness and/or homeless. Responsible for initiation, development, and oversight of 33 programs comprising a \$10,000,000 operating budget; proposal development resulting in more than \$3,000,000 in grants annually; oversight of over 230 management and direct care professionals.
- 2003-Present** **Consultant**
Providing consultation and technical assistance throughout the state to aid service and mental health organizations.
- 1980 - 1982** **Real Estate Broker, LeVaux Realty, Cambridge, MA**
Successful sales and property management specialist.
- 1979 - 1980** **Clinical Coordinator, Task Oriented Communities, Waltham, MA**
Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/ mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.
- 1978 - 1979** **Faculty, Middlesex Community College, Bedford, MA**
Instructor for an introductory group psychotherapy course offered through the Social Work Department.
- 1977 - 1979** **Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA**
Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.
- 1976** **Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA**
Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.
- 1971 - 1976** **Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA**
Major responsibilities consisted of psycho-educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

EDUCATIONAL EXPERIENCE

- 1975 - 1977** Simmons College School of Social Work, Boston, MA
Cambridge-Somerville Community Mental Health Program, MSW
- 1971 - 1975** Clark University, Worcester, MA. Received Bachelor of Arts Degree in Psychology

LICENSES AND CERTIFICATIONS

- 1979** Licensed Real Estate Broker – Massachusetts
- 1989** Academy of Certified Social Workers – NASW
- 1990** Licensed Independent Clinical Social Worker - Massachusetts
- 1994** State of New Hampshire Certified Clinical Social Worker, MA LICSW

PLACEMENTS

- 1976 - 1977** Cambridge Hospital, In-Patient Psychiatry, Cambridge, MA
Individual, group, and family counseling to hospitalized patients.
- 1975 - 1976** Massachusetts Institute of Technology, Social Service Department, Cambridge, MA
Similar to above.

FIELD SUPERVISION

- 1983 - 1984** Antioch/New England Graduate School, Department of Professional Psychology, Keene, NH
- 1983 - 1984** Rivier College, Department of Psychology, Nashua, NH
- 1990 - 1991** Rivier College, Department of Psychology, Nashua, NH
- 1978 - 1979** Middlesex Community College, Social Work Associates Program, Bedford, MA

AWARDS

- Valedictorian Award received at high school graduation;
- National Institute of Mental Health Traineeship in Social Work
- University of New Hampshire Community Development 2003 Community Leader of the Year
- NAMI NH 2007 Annual Award for Systems Change
- Peter Medoff AIDS Housing Award 2007

MEMBERSHIPS

Chair, Governor's State Interagency Council/New Hampshire Policy Academy
Greater Nashua Continuum of Care
National Association of Social Workers
Board Member, Greater Nashua Housing & Development Foundation, Inc.
Former Member Rotary Club, Nashua, NH

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that HARBOR HOMES, INC. is a New Hampshire nonprofit corporation formed February 15, 1980. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st day of April A.D. 2013

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 DIVISION OF COMMUNITY BASED CARE SERVICES
 BUREAU OF BEHAVIORAL HEALTH

Nicholas A. Toumpas
 Commissioner
 Nancy L. Rollins
 Associate Commissioner

105 PLEASANT STREET, CONCORD, NH 03301
 603-271-5000 1-800-852-3345 Ext. 5000
 Fax: 603-271-5058 TDD Access: 1-800-735-2964

May 31, 2012

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

Approved by G+C
 Date 6/20/12
 Item No. 79

Requested Action

Authorize the Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health, to **amend a sole source agreement** (purchase order 1017300) with Harbor Homes, Inc., 45 High Street, Nashua, NH 03064, vendor number 155358, to expand the Housing Bridge Subsidy program for persons with mental illness who are homeless or at risk of becoming homeless by increasing the price limitation by \$746,323 from \$1,664,400 to an amount not to exceed \$2,410,723, effective July 1, 2012, or date of Governor and Executive Council approval, whichever is later, through June 30, 2013. Governor and Executive Council approved the original agreement on July 13, 2011, Late Item B.

Funds to support this request are available in the following accounts in State Fiscal Year 2013:

05-95-92-920010-5945 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH-DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2012	102-0731	Contracts for program services	\$ 0	\$ 0	\$ 0
2013	102-0731	Contracts for program services	\$ 0	\$ 369,323	\$ 369,323
		Subtotal	\$ 0	\$ 369,323	\$ 369,323

05-95-92-920010-7010 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH-DIV OF, DIV OF BEHAVIORAL HEALTH, COMMTY MENTAL HEALTH SVCS

Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2012	502-0731	Payments to providers	\$ 832,200	\$ 0	\$ 832,200
2013	502-0731	Payments to providers	\$ 832,200	\$ 336,000	\$ 1,168,200
		Subtotal	\$ 1,664,400	\$ 336,000	\$ 2,000,400

**05-95-92-920010-7861 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,
HHS: BEHAVIORAL HEALTH - DIV OF, DIV OF BEHAVIORAL HEALTH, OLMSTEAD GRANT**

Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2012	102-0731	Contracts for program services	\$ 0	\$ 0	\$ 0
2013	102-0731	Contracts for program services	\$ 0	\$ 41,000	\$ 41,000
		Subtotal	\$ 0	\$ 41,000	\$ 41,000
		Total	\$1,664,400	\$ 746,323	\$2,410,723

Explanation

The purpose of this request is to provide funds to Harbor Homes, Inc., to expand the Housing Bridge Subsidy Program that the agency manages for the Bureau of Behavioral Health. This program has been extremely successful since its inception in establishing housing for individuals with serious mental illness who are homeless or at risk of becoming homeless. The community residential services included in this contract are not subject to competitive bidding because these services may only be provided by a Community Mental Health Provider who has entered into an interagency agreement under He-M 426.04 with a Community Mental Health Program designated under RSA 135-C:7 and approved under He-M 403. Harbor Homes, Inc. is the sole such provider.

The Bureau of Behavioral Health, along with stakeholders, developed a 10-year mental health plan for New Hampshire, *"Addressing the Critical Mental Health Needs of New Hampshire's Citizens - A Strategy for Restoration"* and unveiled it in August 2008. The 10-year plan was viewed as an innovative effort by the Governor, NH Legislators, the New Hampshire State Mental Health Planning Council, and the New Hampshire Community Behavioral Health Association. The Housing Bridge Subsidy Program was a key recommendation in the 10-year mental health plan. The program provided a housing subsidy for individuals who have a severe mental illness and were eligible and on the waiting list for a Section 8 housing voucher.

The state general funds and federal funds in this amendment will be used to subsidize individuals' rent until a Section 8 voucher is acquired. The addition of \$746,323 will enable Harbor Homes to extend the subsidies for 36 individuals currently being served and allow for the addition of 40-44 others. The focus of the Housing Bridge Subsidy Program is to prioritize individuals at New Hampshire Hospital, Transitional Housing, and those being served by Assertive Community Treatment teams in the community who are homeless, or at risk of becoming homeless because they cannot afford their own apartment. The Bureau of Behavioral Health is expanding the reach of the program to include individuals served by community mental health centers who are currently in community residences and ready to transition to their own apartments in the community. Program participants must continue to qualify for Section 8 assistance and meet the program and income requirements for that program in order to be eligible, and remain eligible for the Housing Bridge Subsidy Program. Program participants must have already applied for Section 8 assistance, or apply as part of their acceptance into the Program. Additionally, program participants must have also been determined eligible for community mental health services pursuant to he-M 401.

The program is available on a statewide basis, and individuals are given the full opportunity to choose which community they would like to reside in. All of the individuals served are connected with community mental health services in their local community to help support the individual in maintaining their apartment, prevent a further episode of homelessness, and promote the individual's independence and personal recovery goals. Although the Bureau of Behavioral Health and community mental health center staff work to ensure a connection

to community mental health services, the support of the individual's rent is not contingent upon an acceptance of services.

The performance of the program is monitored through the required submission of monthly, quarterly, and annual performance reports regarding the performance of the program and the individuals it serves, as well as ongoing data reporting on the Homeless Management Information System.

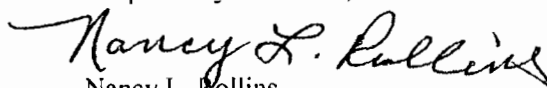
Without this amendment, individuals who are homeless and ready for discharge from an institution, or who are graduating or timing out of transitional housing would remain in their current and more costly environments without being able to return to the community of their choice and resume independent living.

Area served: Statewide.

Source of funds: 64% General Funds; 36% Federal Funds.

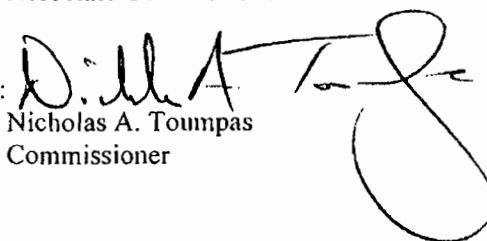
In the event that the Federal Funds become no longer available, General Funds shall not be requested to support this program.

Respectfully submitted,



Nancy L. Rollins
Associate Commissioner

Approved by:



Nicholas A. Toumpas
Commissioner



COPY

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF COMMUNITY BASED CARE SERVICES

BUREAU OF BEHAVIORAL HEALTH

Nicholas A. Toumpas
Commissioner

Nancy L. Rollins
Associate Commissioner

105 PLEASANT STREET, CONCORD, NH 03301
603-271-5000 1-800-852-3345 Ext. 5000
Fax: 603-271-5058 TDD Access: 1-800-735-2964

July 9, 2011

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

Approved by G+C
Date 7-13-11
Item No. late item

Requested Action

Authorize the Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health, to enter into a **retroactive sole source agreement** with Harbor Homes, Inc., 45 High Street, Nashua, New Hampshire 03064, vendor number 155358, to provide Medicaid-funded mental health services in Region 6 in an amount not to exceed \$1,664,400 effective July 1, 2011, through June 30, 2013. Funds are available in the following account in State Fiscal Years 2012 and 2013 as appropriated:

05-95-92-920010-7010 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:
BEHAVIORAL HEALTH-DIV OF, DIV OF BEHAVIORAL HEALTH, COMMTY MENTAL HEALTH SVCS

<u>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Activity Code</u>	<u>Totals</u>
2012	502-0891	Payments to Providers	92207010	\$ 832,200
2013	502-0891	Payments to Providers	92207010	832,200
Total				\$ 1,664,400

Explanation

The services provided for in this contract are Community Residence Services. It is anticipated the contractor shall serve approximately 19 individuals with a severe mental illness in 19 community residence beds licensed under Administrative Rule He-P 814 and certified under Administrative Rule He-M 1002. These services are reimbursed at a per diem rate of \$120.

The Bureau of Behavioral Health is requesting this contract be made retroactive to July 1, 2011, because Harbor Homes has been providing Medicaid-reimbursable services to individuals residing in the community residence beds under an interagency agreement with Greater Nashua Mental Health Center at Community Council since July 1, 2011. A contract could not be completed prior to July 1 because of protracted negotiations between Harbor Homes, Inc., Greater Nashua Mental Health Center at Community Council, and the State over the terms of the interagency agreement. Resolution with respect to the interagency agreement necessary to provide services for the 19 community residence beds did not occur until June 27, which was well past the date of the last G&C date in June 2011.

Under the recently passed Fiscal Year 2012-2013 Budget, the Greater Nashua Mental Health Center becomes the sole provider of community mental health services in Region 6 except for services to persons residing at two community residences operated by Harbor Homes.

The community residential services included in this contract are not subject to competitive bidding because these services may only be provided by a Community Mental Health Provider who has entered into an interagency

agreement under He-M 426.04 with a Community Mental Health Program designed under RSA 135-C:7 and approved under He-M 403. Harbor Homes, Inc. is the sole such provider.

Services to be provided are designed to build resiliency and promote recovery within a person-centered approach, reduce the number of admissions and length of stays at New Hampshire Hospital and other inpatient facilities, improve community tenure, and assist clients in managing the symptoms of mental illness to promote recovery. Included in this contract are estimates on the number of clients to be served and the projected units of service for each program. The Bureau of Behavioral Health monitors these statistics quarterly to ensure that the program outcomes are met.

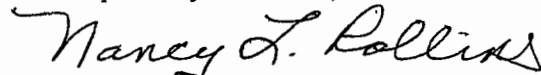
The Bureau of Behavioral Health is committed to developing performance-based contracts for all contractors. The Bureau has developed and continues to develop performance measures to assess the effectiveness and efficiency of community mental health programs in delivering services to persons with mental illness. Within the Scope of Services of this contract, is a Memorandum of Understanding that lists performance domains and indicators that the contractor has agreed to pilot or continue piloting during fiscal year 2012 and 2013. The domains included in the Memorandum of Understanding are: Fiscal Domains, Outcomes Domains, Quality Domains, and System Learning Domains. The purpose of the Memorandum of Understanding is to test performance standards that, in addition to standards being developed by the Bureau independent of this year's contract, shall be included in future contracts. These standards shall enable the Bureau to measure and compare the quality and effectiveness of care given by providers and the efficiency of delivery of that care. This shall allow the Bureau to make improvements in the service delivery system and be vigilant in spending public funds. Additional performance domains and indicators shall be reviewed each year so that standards can be refined and improved for future contracts.

All residential and day programs are licensed/certified when required by State laws and regulations in order to provide for the life safety of the persons served in these programs. Copies of all applicable licenses/certifications are on file with the Bureau of Behavioral Health.

The contractor shall work collaboratively with the Bureau of Behavioral Health on a variety of initiatives designed to sustain a high quality system of services and supports for people with mental illness including continuous quality improvement activities, safeguarding the rights of people involved in services, and provision of ongoing staff training.

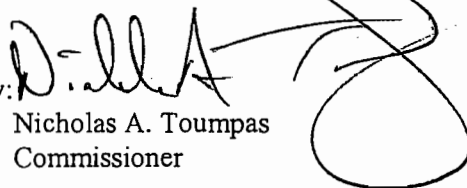
Source of funds: 50% General Funds, 50% Federal Funds.

Respectfully submitted,



Nancy L. Rollins
Associate Commissioner

Approved by:



Nicholas A. Toumpas
Commissioner

NLR/PBR/sl
G&C FY12-13 HH

Enclosures