



Nicholas A. Toumpas  
Commissioner

José Thier Montero  
Director

STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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December 2, 2013

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

SOLE SOURCE

**REQUESTED ACTION**

100% Federal funds

Authorize the Department of Health and Human Services, Division of Public Health Services, to enter into a **sole source** agreement with the Foundation For Healthy Communities (Vendor #154533-B001), 125 Airport Road, Concord, NH, 03301 in an amount not to exceed \$222,000, to identify the needs, and provide implementation and evaluation of tasks to assist New Hampshire's 13 small rural hospitals with the transition to the International Classification of Disease ICD-10 code system, to be effective date of Governor and Council approval through August 31, 2015.

Funds are available in the following accounts for SFY 2014 and 2015 and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

05-95-90-901010-2219 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUR OF PUBLIC HEALTH SYSTEMS, POLICY AND PROFORMANCE, SMALL HOSPITAL IMPROVEMENT

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2014	102-500731	Contracts for Prog Svc	90076001	\$92,500
SFY 2015	102-500732	Contracts for Prog Svc	90076001	\$111,000
SFY 2016	102-500733	Contracts for Prog Svc	90076001	\$18,500
			Total	\$222,000

### EXPLANATION

The request for this agreement to be awarded as a **sole source** is because the Foundation for Healthy Communities has unique qualifications and expertise with small rural hospitals needs assessment and evaluation. The vendor's existing experience with coordinating the Critical Access Hospital Quality Improvement Network activities makes this contractor ideally suited to aid small rural hospitals with the transition to International Classification of Disease ICD-10 codes in NH. The International Classification of Disease code structure is a coding system used by physicians and other healthcare providers to classify and code all diagnoses, symptoms, and procedures recorded in conjunction with healthcare in the United States.

Funds in this agreement will be used to better understand the training needs of various hospital personnel, and then to create, implement, and evaluate transition to the ICD-10 code structure that will support the proper diagnosis and treatment of patients, aid in protecting the quality of care, and produce a streamlined and efficient billing process.

The activities in this agreement will include trainings and actions to be utilized by the hospitals, and carried out in collaboration with the Rural Health Coalition, the New Hampshire Hospital Association, and the State Office of Rural Health. It is expected that this objective can be met by completing four main contract deliverables as summarized below.

Deliverable I requires the contractor to develop an assessment tool that will provide a clear assessment of each small rural hospitals needs in the areas of ICD-10 training.

Deliverable II entails the vendor to develop a written plan from the assessment tool to meet the ICD-10 code training and technical assistance needs of the small rural hospitals as prioritized by the Rural Health Coalition.

Deliverable III calls for the contractor to facilitate the competitive selection of sub-contractor(s) that can meet the needs of the small rural hospitals and assist with scheduling training.

Deliverable IV will be the evaluation and effectiveness of the training and technical assistance.

Performance Measures

- I. 90% of the small rural hospitals will complete the assessment tool.
- II. 90% of the small rural hospitals will participate in the ICD-10 code training or activity.
- III. 90% of training participants will rate the ICD-10 code training or activity as "excellent" or "very good" in an evaluation survey.

Should Governor and Executive Council not authorize this Request, the ability for small rural hospitals to fulfill the federal requirement to convert to International Classification of Disease-10 code is reduced and faulty implementation will have severe financial effects on these hospitals.

This agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The area served is Statewide.

The source of Funds is 100% Federal Funds.

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

Respectfully submitted,



José Thier Montero, MD, MHCDS  
Director

Approved by:



Nicholas A. Toumpas  
Commissioner

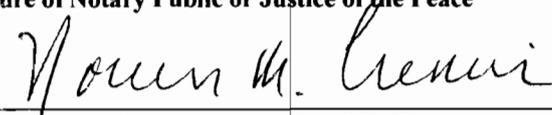
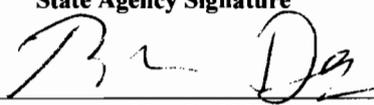
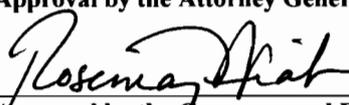
Subject: Small Hospital Improvement Plan

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> NH Department of Health and Human Services		<b>1.2 State Agency Address</b> 29 Hazen Drive Concord, NH 03301-6504	
<b>1.3 Contractor Name</b> Foundation For Healthy Communities		<b>1.4 Contractor Address</b> 125 Airport Road Concord, NH 03301	
<b>1.5 Contractor Phone Number</b> (603) 415-4270	<b>1.6 Account Number</b> 05-95-90-901010-2219-102-500731	<b>1.7 Completion Date</b> August 31, 2015	<b>1.8 Price Limitation</b> \$222,000
<b>1.9 Contracting Officer for State Agency</b> Brook Dupee, Bureau Chief		<b>1.10 State Agency Telephone Number</b> 603-271-4483	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> SHAWN LAFRANCE, Executive Director	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Merriamack</u> On <u>11/21/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal]  Expires <u>June 5, 2018</u>			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b>			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> Brook Dupee, Bureau Chief	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  On: <u>12-4-13</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**  
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").  
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**  
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.  
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.  
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**  
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.  
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.  
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials: SEL  
Date: 11/2/13

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

**13. INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials: ELU  
Date: 11/12/13

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



## Exhibit A

### Scope of Services

#### The Contractor shall:

Facilitate the assessment of needs and implementation of tasks to assist New Hampshire's 13 small rural hospitals with the transition to ICD-10 (International Classification of Disease - tenth revision). The ICD-10 code structure is a system used by physicians and other health care providers to classify and code all diagnoses, symptoms, and procedures recorded in conjunction with health care in the United States.

Successful implementation will help in the proper diagnosis and treatment of patients through more comprehensive knowledge of the patient's medical condition/s and treatment/s. Successful implementation will also aid in protecting and enhancing the quality of care. The activities will include trainings or activities delivered in a manner that can be effectively utilized by the hospitals, and be carried out in collaboration with the Rural Health Coalition (RHC), the New Hampshire Hospital Association (NHHA), and the State Office of Rural Health (SORH).

#### A. Required Activities/Deliverables:

- I. Develop an assessment tool that will provide a clear assessment of each small rural hospitals' needs in the areas of ICD-10 training.
  - a. Develop and circulate the assessment tool to participating hospitals by December 2013.
  - b. Gather responses and report to SORH, NHHA, and RHC by January 2014.
- II. From results of the assessment tool, develop a written plan to meet the ICD-10 code training and technical assistance needs of the small rural hospitals as prioritized by the RHC.
  - a. Provide draft of plan and options to the RHC by March 2014.
  - b. Promulgate the finished plan to SORH, NHHA, and RHC stakeholders by April 2014.
- III. Facilitate the competitive selection of sub-contractor(s) that can meet the needs of the small rural hospitals and assist with scheduling training.
  - a. Submit recommended sub-contractor(s) to SORH and RHC for approval
  - b. Upon approval by SORH and RHC, identify and sub contract with appropriate vendor by May 2014.
  - c. Assist vendor with scheduling trainings and/or resolving scheduling conflicts.
- IV. Evaluate the effectiveness of the training and technical assistance or ensure this is done by the sub-contractor.
  - a. Pre and Post-test examination using the tool proved by the SORH to evaluate effectiveness of training.
  - b. Advise SORH, NHHA, and RHC stakeholders of remaining training and technical assistance needs and possible solutions.



## Exhibit A

### B. Reporting and Performance Measures:

- I. Contractor shall submit to the DHHS/DPHS State Office of Rural Health, the following data to monitor program performance:
  - a. Quarterly reports on program activities and plans for the upcoming quarter, in a format developed and approved by DHHS/DPHS. Reports will be due 30 days following the end of each calendar quarter and include the following:
    - i. Narrative of work completed during the past quarter;
    - ii. Narrative of work in process during the past quarter;
    - iii. Narrative of plans for the upcoming quarter, including challenges and/or barriers to completing requirements as described in this Exhibit A.
- II. Final cumulative written report on program activities and accomplishments (hospitals who participated, numbers trained, evaluation results, recommendations for improvements), and a new work plan for the next two year project period in a format developed and approved by DHHS/DPHS. Report will be due 30 days following the end of contract term.

### C. Performance Measures:

- I. 90% of the small rural hospitals will complete the assessment tool.
- II. 90% of the small rural hospitals will participate in the ICD-10 training or activity.
- III. 90% of training participants will rate the ICD-10 training or activity as "excellent" or "very good" in an evaluation survey.



## Exhibit B

### Method and Conditions Precedent to Payment

- 1) Funding Sources:
  - a. \$222,000 = 100% federal funds from the U.S. Department of Health and Human Services, Health Resources and Services Administration, CFDA #93.301
- 2) The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
  - a. Payment for said services shall be made as follows:

The Contractor will submit an invoice in a form satisfactory to the State by the tenth working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice for Contractor services provided pursuant to this Agreement. The final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date.
  - b. The invoice must be submitted to:

Cathy Liane, Program Specialist III  
Department of Health and Human Services  
Division of Public Health Services  
29 Hazen Drive  
Concord, NH 03301  
[dphscontractbilling@dhhs.state.nh.us](mailto:dphscontractbilling@dhhs.state.nh.us)
- 3) The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in Exhibit B-1 - Budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
- 4) This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
- 5) Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
- 6) The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.



## Exhibit B

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- 7) Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to the terms of the General Provisions, adjustments to amounts within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of Governor and Council.

NH Department of Health and Human Services

Exhibit C

**SPECIAL PROVISIONS**

1. **Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:
2. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
3. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
4. **Documentation:** In addition to the determination forms, required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
5. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
6. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
7. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
8. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service,

or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

**RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:**

9. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

9.1 **Fiscal Records:** Books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

9.2 **Statistical Records:** Statistical, enrollment, attendance, or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

9.3 **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. **Audit:** Contractor shall submit an annual audit to the Department within nine months after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

**10.1 Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

**10.2 Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

**11. Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directed connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

**12. Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department

**12.1 Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

**12.2 Final Report:** A final report shall be submitted within sixty (60) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

**13. Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**14. Credits:** All documents, notices, press releases, research reports, and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

14.1 The preparation of this (report, document, etc.), was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, Division of Public Health Services, with funds provided in part or in whole by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

15. **Operation of Facilities:** Compliance with Laws and Regulations: In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the Contractor with respect to the operation of the facility or the provision of the services at such facility. If any government license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

**SPECIAL PROVISIONS – DEFINITIONS**

As used in the Contract, the following terms shall have the following meanings:

**COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

**DEPARTMENT:** NH Department of Health and Human Services.

**PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

**UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

**FEDERAL/STATE LAW:** Whenever federal or state laws, regulations, rules, orders, and policies, etc., are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc., as they may be amended or revised from time to time.

**CONTRACTOR MANUAL:** Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

**SUPPLANTING OTHER FEDERAL FUNDS:** The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

Exhibit C-1

**ADDITIONAL SPECIAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

**3. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and the following subparagraph is added:**

14.1.1 Comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$1,000,000 per occurrence, and

**4. Extension:**

This agreement has the option for a potential extension of up to two additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

NH Department of Health and Human Services

Standard Exhibit D

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act to 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**ALTERNATIVE I – FOR GRANTEES OTHER THAN INDIVIDUALS**

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES – CONTRACTORS  
US DEPARTMENT OF EDUCATION – CONTRACTORS  
US DEPARTMENT OF AGRICULTURE – CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-51-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). the January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630 of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

**Commissioner  
NH Department of Health and Human Services,  
129 Pleasant Street  
Concord, NH 03301**

- 1) The grantee certifies that it will or will continue to provide a drug-free workplace by:
  - (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - (b) Establishing an ongoing drug-free awareness program to inform employee's about:
    - (1) The dangers of drug abuse in the workplace;
    - (2) The grantee's policy of maintaining a drug-free workplace;
    - (3) Any available drug counseling, rehabilitation, and employee assistance programs;  
and
    - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:
  - (1) Abide by the terms of the statement; and
  - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted
  - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

2) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, State, zip code) (list each location)

Check  if there are workplaces on file that are not identified here.

**Foundation For Healthy Communities**      **Effective date of Governor and Council Approval through August 31, 2015**  
**(Contractor Name)**      **(Period Covered by this Certification)**

Shawn Lafano      Executive Director  
**(Name and Title of Authorized Contractor Representative)**

[Signature]      11/12/13  
**(Contractor Representative Signature)**      **(Date)**

NH Department of Health and Human Services

Standard Exhibit E

**CERTIFICATION REGARDING LOBBYING**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES – CONTRACTORS**  
**US DEPARTMENT OF EDUCATION – CONTRACTORS**  
**US DEPARTMENT OF AGRICULTURE – CONTRACTORS**

Programs (indicate applicable program covered):

- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

**Contract Period: effective date of Governor and Council approval through August 31, 2015.**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
- (2) If any funds, other than Federal appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions, attached and identified as Standard Exhibit E-I.
- (3) The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.


Shawn LaFrance Executive  
 \_\_\_\_\_  
 (Contractor Signature) (Authorized Contractor Representative Name & Title)

Foundation For Healthy Communities  
 \_\_\_\_\_  
 (Contractor Name) 11/12/13  
(Date)

Contractor Initials: SL  
 Date: 11/12/13

NH Department of Health and Human Services

Standard Exhibit F

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions, execute the following Certification:

**Instructions for Certification**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transition. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transition," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntary excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rule implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary

Exclusion – Lower Tier Covered Transaction”, “provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

#### **PRIMARY COVERED TRANSACTIONS**

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - b. have not within a three-year period preceding this proposal (contract) been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 1 b of this certification; and
  - d. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

#### **Lower Tier Covered Transactions**

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

 (Contractor Representative Signature)	SHAWA LAFRANCE, Executive Director (Authorized Contractor Representative Name & Title)
Foundation For Healthy Communities (Contractor Name)	11/12/13 (Date)

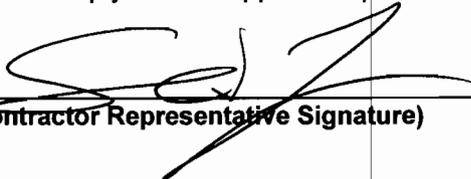
NH Department of Health and Human Services

Standard Exhibit G

**CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE**

The contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.



(Contractor Representative Signature)

SHAWN LAPRACO EXECUTIVE DIRECTOR

(Authorized Contractor Representative Name & Title)

Foundation For Healthy Communities

(Contractor Name)

11/12/13  
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT H

**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

  
\_\_\_\_\_  
(Contractor Representative Signature)

*Shawn LaFrance, Executive Director*  
\_\_\_\_\_  
(Authorized Contractor Representative Name & Title)

Foundation For Healthy Communities.  
\_\_\_\_\_  
(Contractor Name)

*11/12/13*  
\_\_\_\_\_  
(Date)

Contractor Initials: *SEL*

Date: *11/12/13*

STANDARD EXHIBIT I

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

**BUSINESS ASSOCIATE AGREEMENT**

**(1) Definitions.**

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable,

unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

**(2) Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
- I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the

Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and

disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

**(5) Termination for Cause**

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

DIVISION OF PUBLIC HEALTH SERVICES  
The State Agency Name

FOUNDATION FOR HEALTHY COMMUNITIES  
Name of Contractor

  
Signature of Authorized Representative

  
Signature of Authorized Representative

BROOK DUPEE  
Name of Authorized Representative

SHAWN V. LAFRANCE  
Name of Authorized Representative

BUREAU CHIEF  
Title of Authorized Representative

Executive Director  
Title of Authorized Representative

12/4/13  
Date

11/12/13  
Date

NH Department of Health and Human Services

STANDARD EXHIBIT J

**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND  
TRANSPARENCY ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

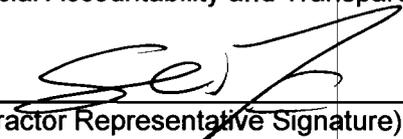
In accordance with 2 CFR Part 170 (*Reporting Sub-award and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any sub-award or contract award subject to the FFATA reporting requirements:

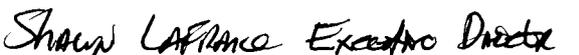
- 1) Name of entity
- 2) Amount of award
- 3) Funding agency
- 4) NAICS code for contracts / CFDA program number for grants
- 5) Program source
- 6) Award title descriptive of the purpose of the funding action
- 7) Location of the entity
- 8) Principle place of performance
- 9) Unique identifier of the entity (DUNS #)
- 10) Total compensation and names of the top five executives if:
  - a. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - b. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (*Reporting Sub-award and Executive Compensation Information*), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

  
(Contractor Representative Signature)

  
(Authorized Contractor Representative Name & Title)

Foundation For Healthy Communities  
(Contractor Name)

11/12/13  
(Date)

Contractor Initials: SLC  
Date: 11/12/13

NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 615 335 283

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements?

NO  YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO  YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

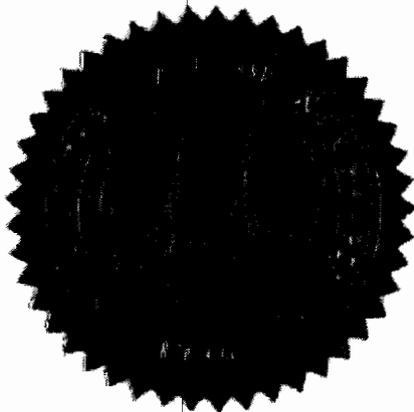
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: \_\_\_\_\_ Amount: \_\_\_\_\_

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 FOUNDATION FOR HEALTHY COMMUNITIES is a New Hampshire nonprofit corporation formed October 28, 1968. I further certify that it is in good standing as far as this office is concerned, having 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 8<sup>th</sup> day of November, A.D. 2013

A handwritten signature in cursive script, appearing to read "William Gardner", is written above the printed name.

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE/AUTHORITY**

I, Steve Ahnen, of the Foundation for Healthy Communities, do hereby certify that:

1. I am the duly elected Treasurer of the Foundation for Healthy Communities;
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Foundation Healthy Communities, duly held on October 15, 2009;

RESOLVED: That this corporation , the Foundation for Healthy Communities, enters into any and all contracts, amendments, renewals, revisions or modifications thereto, with the State of New Hampshire, acting through its Department of Health and Human Services.

RESOLVED: That the Executive Director for the Foundation for Healthy Communities is hereby authorized on behalf of this corporation to enter into said contracts with the State, and to execute any and all documents, agreements, and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate. Shawn LaFrance is the duly elected Executive Director of the corporation.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of November 12, 2013.

IN WITNESS WHEREOF, I have hereunto set my hand as the Treasurer of the Foundation for Healthy Communities this 12<sup>th</sup> day of November, 2013.

 11/12/13  
\_\_\_\_\_  
Steve Ahnen, Treasurer

STATE OF NH  
COUNTY OF MERRIMACK

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of November, 2013 by Steve Ahnen.

  
\_\_\_\_\_  
Notary Public/Justice of the Peace  
My Commission Expires: 6/02/18 





## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Foundation for Healthy Communities

We have audited the accompanying financial statements of Foundation for Healthy Communities (the Foundation) which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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 Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for Healthy Communities as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

*BerryDunn McNeil & Parker, LLC*

Manchester, New Hampshire  
June 13, 2013

**FOUNDATION FOR HEALTHY COMMUNITIES**

**Statements of Financial Position**

**December 31, 2012 and 2011**

**ASSETS**

	<u>2012</u>	<u>2011</u>
Current assets		
Cash and cash equivalents	\$ 490,373	\$ 388,116
Accounts receivable	210,328	192,738
Due from affiliate	34,140	59,333
Prepaid expenses	<u>4,570</u>	<u>6,641</u>
Total current assets	<u>739,411</u>	<u>646,828</u>
Investments	<u>565,998</u>	<u>432,709</u>
Property and equipment		
Leasehold improvements	1,118	1,118
Equipment and furniture	<u>130,613</u>	<u>130,613</u>
	131,731	131,731
Less accumulated depreciation	<u>118,191</u>	<u>109,951</u>
Property and equipment, net	<u>13,540</u>	<u>21,780</u>
Total assets	<u>\$1,318,949</u>	<u>\$1,101,317</u>

**LIABILITIES AND NET ASSETS**

Current liabilities		
Accounts payable	\$ 24,176	\$ 27,225
Accrued payroll and related amounts	66,378	57,794
Due to affiliate	45,093	37,288
Deferred revenue	<u>31,249</u>	<u>36,778</u>
Total current liabilities	<u>166,896</u>	<u>159,085</u>
Net assets		
Unrestricted	240,298	196,243
Temporarily restricted	<u>911,755</u>	<u>745,989</u>
Total net assets	<u>1,152,053</u>	<u>942,232</u>
Total liabilities and net assets	<u>\$1,318,949</u>	<u>\$1,101,317</u>

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The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR HEALTHY COMMUNITIES

Statements of Activities

Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenues		
Foundation support	\$ 363,120	\$ 356,000
Program revenue	1,688,188	706,335
Seminars, meetings, and workshops	128,187	133,146
Investment income	16,141	9,828
Net assets released from restriction used for operations	<u>865,024</u>	<u>835,342</u>
Total revenues	<u>3,060,660</u>	<u>2,040,651</u>
Expenses		
Salaries and related payroll expenses	976,077	926,166
General and administrative	132,054	96,901
Program expenses	1,762,092	823,029
Seminars, meetings, and workshops	177,315	132,590
Depreciation	<u>8,240</u>	<u>8,358</u>
Total expenses	<u>3,055,778</u>	<u>1,987,044</u>
Excess of revenues over expenses	4,882	53,607
Net realized and unrealized gain (loss) on investments	<u>39,173</u>	<u>(16,012)</u>
Increase in unrestricted net assets	<u>\$ 44,055</u>	<u>\$ 37,595</u>

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The accompanying notes are an integral part of these financial statements.

**FOUNDATION FOR HEALTHY COMMUNITIES**

**Statements of Changes in Net Assets**

**Years Ended December 31, 2012 and 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Balance, January 1, 2011	\$ <u>158,648</u>	\$ <u>706,405</u>	\$ <u>865,053</u>
Excess of revenues over expenses	53,607	-	53,607
Net unrealized loss on investments	(16,012)	-	(16,012)
Grants received	-	874,926	874,926
Net assets released from restriction used for operations	<u>-</u>	<u>(835,342)</u>	<u>(835,342)</u>
Change in net assets	<u>37,595</u>	<u>39,584</u>	<u>77,179</u>
Balance, December 31, 2011	<u>196,243</u>	<u>745,989</u>	<u>942,232</u>
Excess of revenues over expenses	4,882	-	4,882
Net unrealized gain on investments	39,173	-	39,173
Grants received	-	1,030,790	1,030,790
Net assets released from restriction used for operations	<u>-</u>	<u>(865,024)</u>	<u>(865,024)</u>
Change in net assets	<u>44,055</u>	<u>165,766</u>	<u>209,821</u>
Balance, December 31, 2012	<u>\$ 240,298</u>	<u>\$ 911,755</u>	<u>\$ 1,152,053</u>

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The accompanying notes are an integral part of these financial statements.

**FOUNDATION FOR HEALTHY COMMUNITIES**

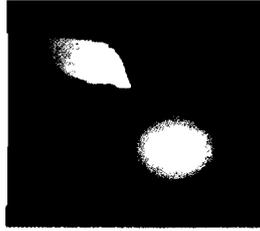
**Statements of Cash Flows**

**Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ 209,821	\$ 77,179
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	8,240	8,358
Net realized and unrealized (gain) loss on investments	(39,173)	16,012
(Increase) decrease in		
Accounts receivable	(17,590)	(9,608)
Prepaid expenses	2,071	(184)
Increase (decrease) in		
Accounts payable	(3,049)	17,654
Accrued payroll and related amounts	8,584	(10,395)
Due to/from affiliates	32,998	(28,209)
Deferred revenue	(5,529)	19,587
Net cash provided by operating activities	<u>196,373</u>	<u>90,394</u>
Cash flows from investing activities		
Purchases of property and equipment	-	(13,733)
Purchases of investments	(543,466)	(45,690)
Proceeds from sale of investments	<u>449,350</u>	<u>39,787</u>
Net cash used by investing activities	<u>(94,116)</u>	<u>(19,636)</u>
Net increase in cash and cash equivalents	102,257	70,758
Cash and cash equivalents, beginning of year	<u>388,116</u>	<u>317,358</u>
Cash and cash equivalents, end of year	<u>\$ 490,373</u>	<u>\$ 388,116</u>

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The accompanying notes are an integral part of these financial statements.



# FOUNDATION FOR HEALTHY COMMUNITIES

## **Mission Statement**

### **IMPROVE HEALTH AND HEALTH CARE**

*The Foundation engages a wide variety of partners and stakeholders in efforts to improve health and the healthcare delivery system.*

#### **Objectives:**

1. To collect, analyze, and evaluate data about health and about the delivery, quality, management and organization of health services;
2. To promote, sponsor and conduct applied research and scientific investigation relative to quality, health delivery process improvement and health policy; and
3. To communicate information, sponsor education and training, and facilitate innovation and access for the improvement of health and the creation of healthy communities.



FOUNDATION FOR  
HEALTHY COMMUNITIES

## 2013 - BOARD OF TRUSTEES

Richard Lafleur, MD  
**CHAIR**

Scott McKinnon  
**VICE CHAIR**

Stephen Ahnen  
**SECRETARY/TREASURER**

Shawn LaFrance  
*ex officio*

Stephanie Wolf-Rosenblum, MD - **IPC**

Sharon Alroy-Preis, MD, MPH

William Brewster, MD

Mary DeVeau

Pamela Duchene, PhD, APRN

Robert Duhaime, RN

Mary Ellen Fleeger, PhD, RN

Paul Gardent

Michael Green

Stephen LeBlanc

Michelle McEwen

Arthur Nichols

Arthur O'Leary

Helen C. Pervanas, PharmD

John H. Robb, MD

James Roche

Maria Ryan, PhD, APRN

Jeanne Ryer

Keith Shute, MD

Gregory Walker

Medical Director, Anthem BC/BS of NH, Manchester

President/CEO, Memorial Hospital, North Conway

President, NHHA

Executive Director, FHC

Chief Medical Officer, Southern NH Medical Center, Nashua

State Epidemiologist, Dept. of Health & Human Services

Medical Director, Harvard Pilgrim Health Care, Manchester

President, Concord Regional Visiting Nurse Assn.

VP, Patient Care Services & CNO, St. Joseph Hospital, Nashua

VP, Operations, Catholic Medical Center, Manchester

Professor of Nursing, Keene State College

Faculty, Dartmouth Institute & Tuck School of Business, Hanover

President/CEO, Concord Hospital

Chief Operating Officer, Dartmouth-Hitchcock

President/CEO, Spere Memorial Hospital, Plymouth

President, Cheshire Medical Center, Keene

Regional VP of Operations, Genesis HealthCare, Concord

Assistant Professor of Pharmacy Practice, Mass. College of Pharmacy and Health Sciences, Manchester

Director, Interventional Cardiology at Mary Hitchcock Memorial Hospital, Lebanon

President, Business and Industry Association of NH, Concord

CEO, Cottage Hospital, Woodsville

Director, NH Citizens Health Initiative, Concord

VP for Medical Affairs and Clinical Svcs., Androscoggin Valley Hospital, Berlin

President, Wentworth-Douglas Hospital, Dover

**FOUNDATION FOR HEALTHY COMMUNITIES**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Shawn LaFrance	Executive Director	\$121,024.84	0.00%	\$0.00
Noreen Cremin	Program & Grants Manager	\$43,083.67	0.00%	\$0.00
Greg Vasse	Director Rural QIN	\$89,301	5.00%	\$7,839.00

# GREGORY J. VASSE

603-748-9355 | 603-415-4274 | [GVasse@healthynh.com](mailto:GVasse@healthynh.com)  
125 Airport Road, Concord, NH 03301

## CAREER EXPERIENCE

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<b>FOUNDATION FOR HEALTHY COMMUNITIES</b> Director Rural Quality Improvement Network	<b>(09/19/2011 – present)</b>	Concord, NH
<b>AMERICAN NATIONAL RED CROSS BIOMEDICAL SERVICES</b> Senior Vice President	<b>(2003-2006)</b> <b>(2004-2006)</b>	Washington, DC
Area Vice President North Central US	<b>(2003-2004)</b>	
<b>SOUTHEASTERN MICHIGAN BLOOD SERVICES REGION / American Red Cross</b> Chief Executive Officer	<b>(1998-2002)</b>	Detroit, MI
<b>HENRY FORD HEALTH SYSTEM</b> COO Henry Ford Health System / Eastern Region President & CEO Henry Ford Cottage Hospital	<b>(1986-1998)</b> <b>(1994-1998)</b> <b>(1988-1998)</b>	Detroit, MI
<b>COTTAGE HEALTH SERVICES</b> VP Operations / VP Planning & Marketing / Asst Administrator	<b>(1977-1985)</b>	Grosse Pointe, MI

## EDUCATION

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**CORNELL / JOHNSON SCHOOL** - MBA & SLOAN PROGRAM IN HOSPITAL AND HEALTH SERVICES ADMINISTRATION  
**CORNELL / COLLEGE OF ARTS & SCIENCES** - BA BIOLOGICAL SCIENCES (MICROBIOLOGY)  
**HARVARD / JFK SCHOOL OF GOVERNMENT** - PARTNERS IN ORGANIZATIONAL LEADERSHIP

## VOLUNTEER POSITIONS

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<b>DARTMOUTH HITCHCOCK MEDICAL CENTER</b> Emergency Department Volunteer	<b>( 2011 – 2012)</b>	Lebanon, NH
<b>UNITED METHODIST RETIREMENT COMMUNITIES</b> Member Board of Directors, Executive Committee and Chairman of the Quality Committee	<b>(2002-2006)</b>	Chelsea, MI

## MILITARY SERVICE

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**US NAVY HOSPITAL CORPSMAN SECOND CLASS PETTY OFFICER** **(1970 – 1974)**

Naval Training Center, Great Lakes Illinois, Hospital Corps School  
National Naval Medical Center, Bethesda Maryland, Haematology Oncology Clinic  
Naval Training Center, Bainbridge Maryland, Dispensary Clinical Laboratory  
Kirk Army Hospital, Aberdeen Proving Ground Maryland, Clinical Microbiology Laboratory

# Budget Form

New Hampshire Department of Health and Human Services

Bidder/Program Name: Foundation For Healthy Communities

Budget Request for: Small Hospital Improvement Plan  
(Name of RFP)

Budget Period: Date of G&C Approval to June 30, 2014

Line Item	Direct Incremental	Indirect Fixed	TOTAL	Allocation Method to Indirect/Fixed Cost
1. Total Salary/Wages	\$ 2,605.00	\$ -	\$ 2,605.00	
2. Employee Benefits	\$ 900.00	\$ -	\$ 900.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ 180.00	\$ -	\$ 180.00	
6. Travel	\$ 750.00	\$ -	\$ 750.00	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ 60.00	\$ -	\$ 60.00	
Postage	\$ 20.00	\$ -	\$ 20.00	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ 200.00	\$ -	\$ 200.00	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ 79,375.00	\$ -	\$79,375.00	
13. Other (specific details mandatory):	\$ -	\$ 8,410.00	\$ 8,410.00	
<b>Project fiscal and administrative oversight/support</b>				(10%) corporation standard: support personnel and office support expenses associated with accounting, grant management, administrative support and oversight.
<b>TOTAL</b>	<b>\$ 84,090.00</b>	<b>\$ 8,410.00</b>	<b>\$92,500.00</b>	

Indirect As A Percent of Direct

10.0%

*For DPHS use only*

Maximum Funds Available - (DPHS program to enter total funds available) \$92,500.00

Reconciliation - (this line must be equal to or greater than \$0) \$ -

# Budget Form

New Hampshire Department of Health and Human Services

Bidder/Program Name: Foundation For Healthy Communities

Budget Request for: Small Hospital Improvement Plan  
(Name of RFP)

Budget Period: July 1, 2014 to June 30, 2015

Line Item	Direct Incremental	Indirect Fixed	TOTAL	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 4,466.00	\$ -	\$ 4,466.00	(10%) corporation standard: support personnel and office support expenses associated with accounting, grant management, administrative support and oversight.
2. Employee Benefits	\$ 1,541.00	\$ -	\$ 1,541.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ 275.00	\$ -	\$ 275.00	
6. Travel	\$ 1,200.00	\$ -	\$ 1,200.00	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ 200.00	\$ -	\$ 200.00	
Postage	\$ 50.00	\$ -	\$ 50.00	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ 450.00	\$ -	\$ 450.00	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ 92,730.00	\$ -	\$ 92,730.00	
13. Other (specific details mandatory):	\$ -	\$ 10,088.00	\$ 10,088.00	
Project fiscal and administrative oversight/support				
<b>TOTAL</b>	<b>\$ 100,912.00</b>	<b>\$ 10,088.00</b>	<b>\$ 111,000.00</b>	

Indirect As A Percent of Direct

10.0%

*For DPHS use only*

Maximum Funds Available - (DPHS program to enter total funds available) \$ 111,000.00

Reconciliation - (this line must be equal to or greater than \$0) \$ -

# Budget Form

New Hampshire Department of Health and Human Services

Bidder/Program Name: Foundation For Healthy Communities

Budget Request for: Small Hospital Improvement Plan  
(Name of RFP)

Budget Period: July 1, 2015 to August 30, 2015

	Direct Expenses	Indirect Expenses	TOTAL	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 768.00	\$ -	\$ 768.00	(10%) corporation standard: support personnel and office support expenses associated with accounting, grant management, administrative support and oversight.
2. Employee Benefits	\$ 265.00	\$ -	\$ 265.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ 50.00	\$ -	\$ 50.00	
6. Travel	\$ 100.00	\$ -	\$ 100.00	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ 35.00	\$ -	\$ 35.00	
Postage	\$ 50.00	\$ -	\$ 50.00	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ 50.00	\$ -	\$ 50.00	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ 15,500.00	\$ -	\$15,500.00	
13. Other (specific details mandatory):	\$ -	\$ 1,682.00	\$ 1,682.00	
Project fiscal and administrative oversight/support				
<b>TOTAL</b>	<b>\$ 16,818.00</b>	<b>\$ 1,682.00</b>	<b>\$18,500.00</b>	

Indirect As A Percent of Direct

10.0%

*For DPHS use only*

Maximum Funds Available - (DPHS program to enter total funds available) \$18,500.00

Reconciliation - (this line must be equal to or greater than \$0) \$ -