

2/ mac



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION FOR BEHAVIORAL HEALTH  
BUREAU OF DRUG AND ALCOHOL SERVICES

Jeffrey A. Meyers  
Commissioner

Katja Fox  
Director

105 PLEASANT STREET, CONCORD, NH 03301  
603-271-6110 1-800-852-3345 Ext. 6738  
Fax: 603-271-6105 TDD Access: 1-800-735-2964  
www.dhhs.nh.gov/dcbcs/bdas/

July 19, 2017

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

- (1) Authorize the Department of Health and Human Services, Division for Behavioral Health, Bureau of Drug and Alcohol Services, to enter into a **sole source** agreement with North Country Health Consortium, Inc., Vendor #238958, 262 Cottage Street, Suite 230, Littleton, New Hampshire 03561-0348, in an amount not to exceed \$250,000, to provide services to bridge the transition of services from Tri County Community Action Program, Division of Alcohol and Other Drug Services to the North Country Health Consortium, Inc., effective upon date of Governor and Council approval, through June 30, 2018. This contract is funded with 100% Other Funds, Governor Commission Funds.
- (2) Contingent upon approval of Requested Action (1), authorize the Department of Health and Human Services to provide North Country Health Consortium, Inc., with an advance payment in an amount not to exceed \$250,000, effective upon the date of Governor and Council approval.

Funds are available in the following account for SFY 2018.

**05-95-92-920510-33820000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL SERVICES, GOVERNOR COMMISSION FUNDS**

State Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
2018	102-500734	Contracts for Social Svc	92058503	\$250,000
			<b>Total</b>	<b>\$250,000</b>

**EXPLANATION**

This request is **sole source** because the North Country Health Consortium (NCHC) is uniquely positioned to assume operation of the substance use disorder (SUD) services

currently being provided by the TriCounty Community Action Program (TCCAP). The NCHC currently serves as the Region 7 (North Country) Integrated Delivery Network lead as well as holding the North Country regional public health, SUD prevention, and SUD continuum of care development contracts, transitioning these services to NCHC will allow for better coordination of services in the North Country.

Funds in this agreement will be used to:

- Review all current SUD contracts and agreements held by TCCAP for transition of these programs to NCHC;
- Transition client and program records of TCCAP SUD programs to the NCHC electronic network;
- Assess staff training needs, including compliance with privacy and confidentiality rules and regulations;
- Hire a Human Resources Assistant and Information Specialist Assistant to assist with transition and implementation of programs;
- Facilitate legal transfer of vendor contracts;
- Pay legal fees associated with the transition of program operations, State and vendor contracts, and facility licensing;
- Engage consultant services to assist programs with achieving Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation; and
- Research and review best practice/promising practice models for service delivery in rural communities.

Over the past several years, TCCAP has faced a number of challenges which have created significant barriers to the maintenance and expansion of SUD treatment services in the North Country. In order to address these challenges, TCCAP and NCHC have entered into an agreement for NCHC to assume operation of the SUD treatment services currently provided by TCCAP. The transition will allow for the expansion of SUD treatment services in the North Country, which is one of the most underserved regions in the state.

The North Country has been particularly hard hit by the Opioid Epidemic, as evidenced by:

- Carroll and Coos counties rank 3<sup>rd</sup> and 4<sup>th</sup> in the state respectively for overdose deaths per capita in 2016.
- In May 2017, Coos county ranked 1<sup>st</sup> in the state for Narcan administration by emergency services personnel.

Finally, Coos and Carroll counties only rank 5<sup>th</sup> and 8<sup>th</sup> in the state respectively for treatment admissions for Opioid use, indicating that in spite of the clear need for services, those available to individuals with substance use disorders in the North Country are not meeting the need.

The following performance measures/objectives will be used to measure the effectiveness of the agreement:

- Progress towards goals and objectives established in a Department approved work plan to complete the transition of SUD services from TCCAP to NCHC within the contract period.

Should the Governor and Executive Council not authorize this Request, there will continue to be insufficient SUD treatment resources in the North Country in the short term and these would likely decline further in the future.

Area served: North Country.

Source of Funds: 100% Other Funds from Governor Commission Funds

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

Respectfully submitted,



Katja S. Fox  
Director

Approved by:



Jeffrey A. Meyers  
Commissioner

Subject: Bridge to Transition Friendship House

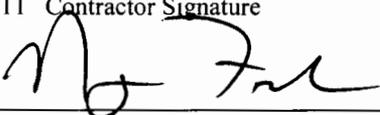
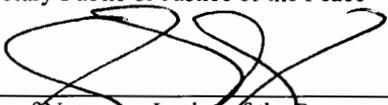
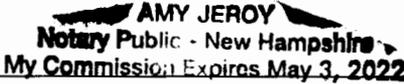
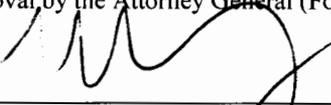
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name North Country Health Consortium, Inc.		1.4 Contractor Address 262 Cottage Street Suite 230 Littleton, NH 03561	
1.5 Contractor Phone Number (603) 259-3700 Ext 223	1.6 Account Number 05-095-092-920510-33820000	1.7 Completion Date June 30, 2018	1.8 Price Limitation \$250,000
1.9 Contracting Officer for State Agency Jonathan V. Gallo, Esq., Interim Director		1.10 State Agency Telephone Number 603-271-9246	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Nancy Frank CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Grafton</u> On <u>July 13, 2017</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.			
1.13.1 Signature of Notary Public or Justice of the Peace <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">                     [Seal]  </div> <div style="text-align: center;">  </div> </div>			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Amy E Jeroy, Notary</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>Katja Stix, Director</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>7/31/17</u>			
1.18 Approval by the Governor and Executive Council (if applicable) 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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 (“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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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.

#### 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 notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form 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 thirty (30) 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 certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

**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.



## Scope of Services

### 1. Provisions Applicable to All Services

- 1.1. The Contractor will submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. Funding provided for services specified in Section 2, Scope of Work, shall be used to bridge the transition of contracts from Tri County Community Action Program, Division of Alcohol and Other Drug Services to the North Country Health Consortium, Inc..

### 2. Scope of Work

- 2.1. The Contractor shall coordinate a Transition Team to ensure minimal disruption of substance use disorder (SUD) treatment services provided in the North Country through Tri County Community Action Program, Division of Alcohol and Other Drug Services (TCCAP/AOD).
- 2.2. The Contractor shall ensure that the Transition Team creates, monitors and implements a transition plan to continue SUD treatment services provided by TCCAP/AOD. The Contractor shall conduct activities that include, but are not limited to:
  - 2.2.1. Reviewing all current TCCAP/AOD contracts and agreements.
  - 2.2.2. Planning, expanding and implementing the current electronic network.
  - 2.2.3. Transferring current TCCAP/AOD contracts pertaining to SUD treatment services.
- 2.3. The Contractor shall ensure sufficient staffing is trained and available to conduct activities specified in contracts identified in Section 2.2.3. The Contractor shall:
  - 2.3.1. Assess staff training needs, including but not limited to maintaining compliance with privacy and confidentiality rules and regulations.
  - 2.3.2. Advertise and hire staff that include, but are not limited to:
    - 2.3.2.1. One (1) Human Resources Assistant.



2.3.2.2. One (1) Information Specialist Assistant.

- 2.4. The Contractor shall increase capacity to support an expanded infrastructure for SUD treatment services. The Contractor shall:
- 2.4.1. Ensure legal fees associated with the transition of program operations are paid in full.
  - 2.4.2. Ensure ancillary fees associated with the transfer of State and vendor contracts are paid in full.
  - 2.4.3. Ensure the Friendship House facility obtains and retains appropriate licensing in accordance with SUD treatment services provided.
- 2.5. The Contractor shall ensure SUD treatment services offered are provided using best practices. The Contractor shall:
- 2.5.1. Engage consultant services to assist with Commission on Accreditation of Rehabilitation Facilities (CARF) certification.
  - 2.5.2. Research and review of substance use program best practice/promising practice models in rural communities.

**3. Work Plan**

- 3.1. The Contractor shall provide a final work plan for Department approval that specifies:
- 3.1.1. Activities.
  - 3.1.2. Milestones.
  - 3.1.3. Dates of completion for each activity.
- 3.2. The Contractor shall provide the work plan to the Department for approval no later than ten (10) days after the Contract effective date.

**4. Reporting Requirements**

- 4.1. The Contractor shall submit monthly reports that detail:
- 4.1.1. Progress on activities.
  - 4.1.2. Barriers to completing the activities.
  - 4.1.3. Proposed solutions to overcome the barriers experienced.
- 4.2. The Contractor shall submit reports on progress of the work plan for the previous month, utilizing a Department defined reporting form, no later than the 10<sup>th</sup> of the month following the reporting month.



## Exhibit B

### Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, General Provisions, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This contract is funded by Governor Commission Funds. Funding for this contract is dependent upon the continued availability of the Governor Commission Funds (100% Other Funds).
3. Payment for said services shall be made as follows:
  - 3.1. The Contractor shall provide:
    - 3.1.1. A work plan as specified in Exhibit A, Scope of Services, Section 2, Scope of Work, Subsection 2.6 within ten (10) days of the contract effective date for Department approval.
    - 3.1.2. An invoice on Contractor letterhead requesting an upfront payment of \$250,000 for contract #SS-2018-BDAS-07-BRIDG.
  - 3.2. The Contractor shall submit the work plan and invoice in Section 3.1, above to:

Clinical and Recovery Services Unit Administrator  
Bureau of Drug and Alcohol Services  
105 Pleasant St., 3<sup>rd</sup> Floor North  
Concord, NH 03301  
  
Jaime.powers@dhhs.nh.gov
  - 3.3. The Department shall pay the total sum of the invoice provided in Section 3.1.2, above upon approval of the work plan submitted by the Contractor within thirty (30) days from receipt of the work plan and invoice in Section 3.1, above.
4. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.



**SPECIAL PROVISIONS**

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:

1. **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.
2. **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.
3. **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.
4. **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.
5. **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.
6. **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.
7. **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 Contractors 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:
  - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
  - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;



- 7.3. 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:

8. **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:
- 8.1. **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.
- 8.2. **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 such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days 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.
- 9.1. **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.
- 9.2. **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.
10. **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 directly 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.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
  - 11.1. 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.
  - 11.2. Final Report: A final report shall be submitted within thirty (30) 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.
12. **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.
13. **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:
  - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part 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.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
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 governmental 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.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEO on file and submit an EEO Certification Form to the OCR, certifying that its EEO is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEO Certification Form to the OCR certifying it is not required to submit or maintain an EEO. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEO requirement, but are required to submit a certification form to the OCR to claim the exemption. EEO Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
- When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
  - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
  - 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

#### 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.

**FINANCIAL MANAGEMENT GUIDELINES:** Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

**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:** Wherever 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 the 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.



**REVISIONS TO GENERAL 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.

*77*  
Date *7/17/17*



**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 of 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 5151-5160 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(c) 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 certificate 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 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
  - 1.1. 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;
  - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
    - 1.2.1. The dangers of drug abuse in the workplace;
    - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
    - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
    - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - 1.3. 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);
  - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
    - 1.4.1. Abide by the terms of the statement; and
    - 1.4.2. 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;
  - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 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



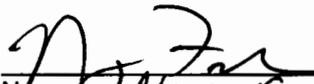
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 1.6.1. 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
    - 1.6.2. 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;
  - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
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.

Contractor Name:

7/17/17  
Date

  
Name: Nancy Frank  
Title: CEO

NF  
Date 7/17/17



**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

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-1.)
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 a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor Name:

7/17/17  
Date

Nancy Frank  
Name  
Title: CEO

NF

7/17/17



**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 transaction. 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 transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules 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 be entered into, it shall not knowingly enter into any lower tier 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 Transactions," 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**

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of 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;
  - 11.3. 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 (l)(b) of this certification; and
  - 11.4. 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.
12. 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**

13. 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:
  - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. 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).
14. 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 Name:

7/17/17  
Date

Nancy Frank  
Name: Nancy Frank  
Title: CEO



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO  
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND  
WHISTLEBLOWER PROTECTIONS**

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:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate 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.

Exhibit G

Contractor Initials

  77  

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

New Hampshire Department of Health and Human Services  
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

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 comply with the provisions indicated above.

Contractor Name:

7/17/17  
Date

  
Name: Nancy Frank  
Title: CEO

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Contractor Initials NF

Date 7/17/17



**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 Name:

7/17/17  
Date

  
Name: Neely, Frank  
Title: CEO



Exhibit I

**HEALTH INSURANCE PORTABILITY 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 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.

**(1) Definitions.**

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- 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 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 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 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

  NJ  

  7/17/17



Exhibit I

- I. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- 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, unreadable, 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) **Business Associate 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, Business Associate, including but not limited to all its directors, officers, employees and agents, shall 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 HIPAA Privacy, Security, and Breach Notification Rules 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

*MF*

*1/17/17*



Exhibit I

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. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. 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.
- e. 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 (l). 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

  NF  

  7/17/17



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. 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.
- g. 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.
- h. 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.
- i. 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.
- j. 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.
- k. 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.
- l. 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



Exhibit I

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 Paragraph 10 of the standard terms and conditions (P-37) 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, 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.

77

7/17/17



Exhibit I

- 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) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
The State

Katja S Fox  
Signature of Authorized Representative

Katja S Fox  
Name of Authorized Representative

Director  
Title of Authorized Representative

7/19/17  
Date

North Country Health Consortium  
Name of the Contractor

Nancy Frank  
Signature of Authorized Representative

Nancy Frank  
Name of Authorized Representative

CEO  
Title of Authorized Representative

7/17/17  
Date



**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 Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward 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:
  - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - 10.2. Compensation information is not already available through reporting to the SEC.

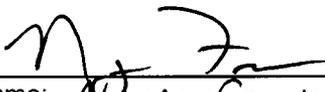
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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 Subaward 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 Name:

Date 7/17/17

  
Name: Nancy Frank  
Title: (EO)



**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: 017711198-0000
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, subgrants, and/or cooperative agreements?

X 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: _____



**DHHS INFORMATION SECURITY REQUIREMENTS**

1. Confidential Information: In addition to Paragraph #9 of the General Provisions (P-37) for the purpose of this RFP, the Department's Confidential information includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Personal Health Information (PHI), Personally Identifiable Information (PII), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.
2. The vendor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services. Minimum expectations include:
  - 2.1. Maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).
  - 2.2. Maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
  - 2.3. Encrypt, at a minimum, any Department confidential data stored on portable media, e.g., laptops, USB drives, as well as when transmitted over public networks like the Internet using current industry standards and best practices for strong encryption.
  - 2.4. Ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
  - 2.5. Provide security awareness and education for its employees, contractors and sub-contractors in support of protecting Department confidential information
  - 2.6. Maintain a documented breach notification and incident response process. The vendor will contact the Department within twenty-four 24 hours to the Department's contract manager, and additional email addresses provided in this section, of a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
    - 2.6.1. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.  
Breach notifications will be sent to the following email addresses:
      - 2.6.1.1. [DHHSChiefInformationOfficer@dhhs.nh.gov](mailto:DHHSChiefInformationOfficer@dhhs.nh.gov)
      - 2.6.1.2. [DHHSInformationSecurityOffice@dhhs.nh.gov](mailto:DHHSInformationSecurityOffice@dhhs.nh.gov)
  - 2.7. If the vendor will maintain any Confidential Information on its systems (or its sub-contractor systems), the vendor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the vendor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure

  n  

  1/17/17



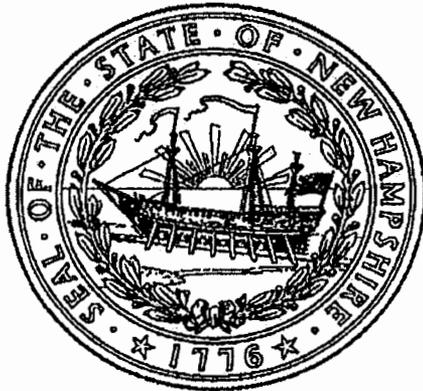
# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that NORTH COUNTRY HEALTH CONSORTIUM is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on October 05, 1998. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 301456



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 24th day of April A.D. 2017.

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

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE**

I, Edward Shanshala, of North Country Health Consortium, do hereby certify that:

1. I am the duly elected President of North Country Health Consortium;
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the North Country Health Consortium, in Minutes dated April 14, 2017;

*RESOLVED: Be it resolved that North Country Health Consortium enters into contracts with the State of New Hampshire, acting through its Department of Health and Human Services.*

*RESOLVED: Be it resolved that the Chief Executive Officer and/or Board President 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. Nancy Frank is the Chief Executive Officer of the corporation.*

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of July 17, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand as the President of the North Country Health Consortium this 17<sup>th</sup> day of July 2017.



Edward Shanshala, President

STATE OF NEW HAMPSHIRE  
COUNTY OF GRAFTON

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of July 2017 by Edward Shanshala.



Notary Public/Justice of the Peace  
My Commission Expires: 09-18-2018

TRACY A. PAGE  
Notary Public - New Hampshire  
My Commission Expires September 18, 2018



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
7/13/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Geo M Stevens & Son Co 149 Main Street Lancaster NH 03584		<b>CONTACT NAME:</b> Patricia Emery <b>PHONE (A/C, No, Ext):</b> (603) 788-2555 <b>E-MAIL ADDRESS:</b> pemery@gms-ins.com <b>FAX (A/C, No):</b> (603) 788-3901	
<b>INSURED</b> North Country Health Consortium Inc 262 Cottage Street, Suite 230 Littleton NH 03561		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A Acadia Insurance Company NAIC # 31325 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

**COVERAGES** CERTIFICATE NUMBER: CL1711208135 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			CPA 0238922 19	1/1/2017	1/1/2018	EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 250,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Each Occurrence \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			CAA0238923-19	1/1/2017	1/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist property \$ 25,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED RETENTIONS \$			CUA 5178194-13	1/1/2017	1/1/2018	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ \$
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WCA0277380-18	1/1/2017	1/1/2018	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Health Consortium  
NH Worker's Compensation--Excluded officers are Edward Shanshala, Russell Keene, and Nancy Bishop  
This certificate of insurance is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage, terms, exclusions, and conditions afforded by the policy or policies referenced herein.

<b>CERTIFICATE HOLDER</b> State of NH DHHS 129 Pleasant Street Concord, NH 03301-3852	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Patricia Emery/PBE
------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



North Country Health Consortium Mission Statement:

*“To lead innovative collaboration to improve the health status of the region.”*

The North Country Health Consortium (NCHC) is a non-profit 501(c)3 rural health network, created in 1997, as a vehicle for addressing common issues through collaboration among health and human service providers serving Northern New Hampshire.

NCHC is engaged in activities for:

- Solving common problems and facilitating regional solutions
- Creating and facilitating services and programs to improve population health status
- Health professional training, continuing education and management services to encourage sustainability of the health care infrastructure
- Increasing capacity for local public health essential services
- Increasing access to health care for underserved and uninsured residents of Northern New Hampshire.

**A.M. PEISCH & COMPANY, LLP**

**NORTH COUNTRY HEALTH  
CONSORTIUM, INC. AND SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**



## CONTENTS

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 and 2
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Functional Expenses	5 and 6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 14
<b>ADDITIONAL REQUIRED REPORTS</b>	
Schedule of Expenditures of Federal Awards	15
Notes to Schedule of Expenditures of Federal Awards	16
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance With <i>Government Auditing Standards</i>	17 and 18
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	19 and 20
Schedule of Findings and Questioned Costs	21
Summary Schedule of Prior Audit Findings	22

# A.M. PEISCH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
& BUSINESS CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
North Country Health Consortium, Inc. and Subsidiary  
Littleton, New Hampshire

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of North Country Health Consortium, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 presentation of the consolidated financial statements.

- 1 -

---

401 Water Tower Circle  
Suite 302  
Colchester, VT 05446  
(802) 654-7255

27 Center Street  
P. O. Box 326  
Rutland, VT 05702  
(802) 773-2721

30 Congress Street  
Suite 201  
St. Albans, VT 05478  
(802) 527-0505

1020 Memorial Drive  
St. Johnsbury, VT 05819  
(802) 748-5654

24 Airport Road, Suite 402  
West Lebanon, NH 03784  
(603) 306-0100

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of North Country Health Consortium, Inc. and Subsidiary as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2017 on our consideration of North Country Health Consortium, Inc. and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Country Health Consortium, Inc. and Subsidiary's internal control over financial reporting and compliance.

*A.M. Peisch and Company, LLP*

St. Johnsbury, Vermont  
March 10, 2017  
VT Reg. No. 92-0000102

**NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2016 AND 2015**

ASSETS	2016	2015
<b>Current Assets</b>		
Cash and cash equivalents	\$ 985,845	\$ 912,270
Accounts receivable, net		
Grants and contracts	340,530	188,257
Dental services	9,284	4,016
Certificates of deposit	125,020	124,509
Prepaid expenses	35,326	21,676
Restricted cash - ACO	-	76,701
Restricted cash - IDN	813,235	-
<b>Total Current Assets</b>	<u>2,309,240</u>	<u>1,327,429</u>
<b>Property and Equipment:</b>		
Computers and equipment	76,178	72,057
Dental equipment	71,332	71,332
Furnitures and fixtures	32,257	32,257
Vehicles	18,677	18,677
Accumulated depreciation	(156,770)	(141,048)
<b>Property and Equipment, Net</b>	<u>41,674</u>	<u>53,275</u>
<b>Other Assets</b>		
Restricted cash - IDN	1,600,000	-
<b>Total Other Assets</b>	<u>1,600,000</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 3,950,914</u>	<u>\$ 1,380,704</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 63,105	\$ 25,646
Accrued expenses	7,908	11,643
Accrued wages and related liabilities	97,381	71,980
Deferred revenue	979,869	287,172
<b>Total Current Liabilities</b>	<u>1,148,263</u>	<u>396,441</u>
<b>Long-Term Liabilities</b>		
Deferred revenue - Long term portion	1,600,000	-
<b>Total Long-Term Liabilities</b>	<u>1,600,000</u>	<u>-</u>
<b>Total Liabilities</b>	<u>2,748,263</u>	<u>396,441</u>
<b>NET ASSETS</b>		
Unrestricted	1,202,651	984,263
<b>Total Net Assets</b>	<u>1,202,651</u>	<u>984,263</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,950,914</u>	<u>\$ 1,380,704</u>

See accompanying notes.

**NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	2016	2015
Support:		
Grant and contract revenue	<u>\$ 1,874,936</u>	<u>\$ 1,620,106</u>
Revenue:		
Dental patient revenue	165,687	136,687
Fees for programs and services	182,432	232,483
Interest income	1,528	2,683
Other income	3,056	1,164
Donated services	-	9,113
Total Revenue	<u>352,703</u>	<u>382,130</u>
Total Support and Revenue	<u>2,227,639</u>	<u>2,002,236</u>
Program Expenses:		
Workforce	780,074	519,117
Public health	177,924	164,287
Molar	362,503	412,602
CSAP	441,232	429,079
North Country ACO	70,361	111,534
Total Program Expenses	<u>1,832,094</u>	<u>1,636,619</u>
Management and General	<u>177,157</u>	<u>176,357</u>
Total Expenses	<u>2,009,251</u>	<u>1,812,976</u>
Change in Net Assets	218,388	189,260
NET ASSETS, Beginning of the Year	<u>984,263</u>	<u>795,003</u>
NET ASSETS, End of the Year	<u>\$ 1,202,651</u>	<u>\$ 984,263</u>

See accompanying notes.

**NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Workforce	Public Health	Molar	CSAP	North Country ACO	Total Program	Management & General	Total
<b>Personnel:</b>								
Salaries	\$ 388,374	\$ 83,406	\$ 183,302	\$ 197,310	\$ 29,937	\$ 882,329	\$ 70,141	\$ 952,470
Payroll taxes and employee benefits	60,863	14,848	31,030	32,395	4,700	143,836	9,350	153,186
Subtotal	449,237	98,254	214,332	229,705	34,637	1,026,165	79,491	1,105,656
<b>Site Expenses:</b>								
Computer supplies	10,515	2,723	7,751	6,122	579	27,690	2,547	30,237
Medical and pharmacy supplies	169,370	52,704	99,443	125,053	-	446,570	2,088	448,658
Office supplies	15,395	1,427	2,279	7,585	203	26,889	14,124	41,013
Subtotal	195,280	56,854	109,473	138,760	782	501,149	18,759	519,908
<b>General:</b>								
Bad debts (recoveries)	-	-	(976)	-	-	(976)	-	(976)
Depreciation	-	-	6,616	-	-	6,616	9,105	15,721
Dues and memberships	4,598	40	20	25	-	4,683	10,157	14,840
Education and training	4,636	1,370	1,192	370	-	7,568	5,332	12,900
Equipment and maintenance	11,410	-	150	-	1,008	12,568	1,200	13,768
Rent and occupancy	21,707	6,347	12,765	11,054	1,850	53,723	7,811	61,534
Insurance	1,354	918	1,934	1,112	131	5,449	3,779	9,228
Miscellaneous	25	-	-	-	-	25	7,569	7,594
Data collection contract	-	-	-	-	25,667	25,667	-	25,667
Payroll processing fees	-	-	-	-	-	-	4,570	4,570
Postage	923	256	590	498	79	2,346	437	2,783
Printing	2,795	1,593	1,799	1,375	239	7,801	1,703	9,504
Professional fees	8,460	4,281	6,808	4,930	5,528	30,007	8,187	38,194
Training fees and supplies	60,878	1,751	527	40,228	-	103,384	12,786	116,170
Travel	16,133	5,144	1,886	11,166	378	34,707	5,594	40,301
Telephone	2,638	1,116	1,568	2,009	62	7,393	677	8,070
Vehicle expense	-	-	3,819	-	-	3,819	-	3,819
Subtotal	135,557	22,816	38,698	72,767	34,942	304,780	78,907	383,687
<b>Total Expenses</b>	<b>\$ 780,074</b>	<b>\$ 177,924</b>	<b>\$ 362,503</b>	<b>\$ 441,232</b>	<b>\$ 70,361</b>	<b>\$ 1,832,094</b>	<b>\$ 177,157</b>	<b>\$ 2,009,251</b>

See accompanying notes.

**NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Workforce	Public Health	Molar	CSAP	North Country ACO	Total Program	Management & General	Total
<b>Personnel:</b>								
Salaries	\$ 247,263	\$ 70,370	\$ 216,451	\$ 170,561	\$ 56,894	\$ 761,539	\$ 72,486	\$ 834,025
Payroll taxes and employee benefits	42,099	11,979	39,915	31,616	10,651	136,260	18,610	154,870
Subtotal	289,362	82,349	256,366	202,177	67,545	897,799	91,096	988,895
<b>Site Expenses:</b>								
Computer supplies	11,553	1,498	6,721	4,253	1,412	25,437	2,131	27,568
Medical and pharmacy supplies	113,154	62,978	93,404	117,137	30	386,703	5,118	391,821
Office supplies	7,583	3,837	2,269	11,094	340	25,123	3,986	29,109
Subtotal	132,290	68,313	102,394	132,484	1,782	437,263	11,235	448,498
<b>General:</b>								
Bad debt	-	-	4,551	-	-	4,551	-	4,551
Depreciation	-	-	7,985	-	-	7,985	9,099	17,084
Dues and memberships	1,683	9	273	993	105	3,063	7,937	11,000
Education and training	300	-	42	13,518	-	13,860	6,026	19,886
Equipment and maintenance	3,996	130	881	-	-	5,007	222	5,229
Rent and occupancy	17,328	4,827	16,311	13,012	4,125	55,603	6,699	62,302
Insurance	1,275	822	1,770	935	268	5,070	3,748	8,818
Miscellaneous	10,282	-	311	350	-	10,943	757	11,700
Data collection contract	-	-	-	-	21,953	21,953	-	21,953
Payroll processing fees	-	-	-	25	-	25	3,618	3,643
Postage	443	130	633	370	153	1,729	529	2,258
Printing	3,900	1,229	2,396	1,275	333	9,133	1,257	10,390
Professional fees	4,972	1,486	7,783	4,639	13,260	32,140	21,409	53,549
Training fees and supplies	38,214	1,885	41	43,507	1	83,648	3,539	87,187
Travel	14,208	2,071	5,046	14,293	1,842	37,460	7,857	45,317
Telephone	864	1,036	2,003	1,501	167	5,571	1,329	6,900
Vehicle expense	-	-	3,816	-	-	3,816	-	3,816
Subtotal	97,465	13,625	53,842	94,418	42,207	301,557	74,026	375,583
<b>Total Expenses</b>	<b>\$ 519,117</b>	<b>\$ 164,287</b>	<b>\$ 412,602</b>	<b>\$ 429,079</b>	<b>\$ 111,534</b>	<b>\$ 1,636,619</b>	<b>\$ 176,357</b>	<b>\$ 1,812,976</b>

See accompanying notes.

**NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 218,388	\$ 189,260
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,721	17,084
Bad debt expense (recovery)	(976)	4,551
(Increase) decrease in operating assets:		
Accounts receivable - Grants and contracts	(152,273)	(32,816)
Accounts receivable - Dental services	(4,292)	(7,818)
Prepaid expenses	(13,650)	(9,431)
Restricted cash - ACO	76,701	122,443
Restricted cash - IDN	(2,413,235)	-
Increase (decrease) in operating liabilities:		
Accounts payable	37,459	6,585
Accrued expenses	(3,735)	(15,243)
Accrued wages	25,401	882
Deferred revenue	2,292,697	(144,834)
Net cash provided by operating activities	<u>78,206</u>	<u>130,663</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of certificates of deposit	(511)	(61,497)
Maturities of certificates of deposit	-	24,408
Purchases of property and equipment	(4,120)	(16,975)
Net cash used by investing activities	<u>(4,631)</u>	<u>(54,064)</u>
Net increase in cash and cash equivalents	73,575	76,599
Beginning cash and cash equivalents	<u>912,270</u>	<u>835,671</u>
Ending cash and cash equivalents	<u>\$ 985,845</u>	<u>\$ 912,270</u>

See accompanying notes.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 1. Nature of Activities and Summary of Significant Accounting Policies

#### Nature of activities

North Country Health Consortium, Inc. and Subsidiary (NCHC) (the Organization) is a not-for-profit health center chartered under the laws of the State of New Hampshire. The Organization's mission is to lead innovative collaboration to improve the health status of the region. NCHC is engaged in promoting and facilitating access to services and programs that improve the health status of the area population, provide health training and educational opportunities for healthcare purposes, and provide region-wide dental services for an underserved and uninsured residents.

The Organization's wholly owned subsidiary, North Country ACO (the ACO), is a non-profit 501(c)(3) charitable corporation formed in December 2011. This entity was formed as an accountable care organization (ACO) with its purpose to support the programs and activities of the ACO participants to improve the overall health of their respective populations and communities. North Country ACO members participate in the Medicare Shared Savings Program to pay for services to Medicare beneficiaries. North Country ACO performs administration and manages the distribution of funds to participants using a patient based model.

Medicare payments to North Country ACO have ceased. The Organization did not submit an application to reapply to the Medicare Shared Savings Program. As a result, North Country ACO was issued a status of non-renewal, and its participation agreement with the Shared Savings Program has been terminated. Substantially all funds have been distributed to participants. A nominal cash balance remained to fund closing activities and completion of the required notifications to participants. After these activities have been completed, it is the intent of the Organization to dissolve North Country ACO.

The Organization's primary programs are as follows:

*Network and Workforce Activities* – To provide workforce education programs and promote oral health initiatives for the Organization's dental services.

*Public Health and CSAP* – To conduct community substance abuse prevention activities, coordination of public health networks, and promote community emergency response plan.

*Dental Services and Molar* – To sustain a program offering oral health services for children and low income adults in Northern New Hampshire.

Following is a summary of the significant accounting policies used in the preparation of these consolidated financial statements.

#### Principles of consolidation

The accompanying consolidated financial statements include the accounts of North Country Health Consortium, Inc. and its wholly owned subsidiary, North Country ACO. All significant inter-company transactions and balances have been eliminated in consolidation.

## **Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

### **Use of estimates**

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

### **Concentration of risk**

The Organization's operations are affected by various risk factors, including credit risk and risk from geographic concentration and concentrations of funding sources. Management attempts to manage risk by obtaining and maintaining revenue funding from a variety of sources. A substantial portion of the Organization's activities are funded through grants and contracts with private and federal and state agencies. As a result, the Organization may be vulnerable to the consequences of change in the availability of funding sources and economic policies at the agency level. The Organization generally does not require collateral to secure its receivables.

### **Revenue recognition**

Below are the revenue recognition policies of the Organization:

#### *Dental Patient Revenue*

Dental services are recorded as revenue within the fiscal year related to the service period.

#### *Grant and Contract Revenue*

Grants and contracts are recorded as revenue in the period they are earned by satisfaction of grant or contract requirements.

#### *Fees for Programs and Services*

Fees for programs and services are recorded as revenue in the period the related services were performed.

### **Cash and cash equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

### **Restricted cash - ACO**

Restricted cash – ACO consists of advanced funding received from Medicare to be used for the development of systems to improve care coordination, technical improvements, data collection coordination, and promote cost saving. For the years ending September 30, 2016 and 2015, these amounts were \$0 and \$76,701, respectively.

**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

**Restricted cash - IDN**

Restricted cash – IDN consists of advanced funding received from The State of New Hampshire Department of Health and Human Services. Of the total advance of funds, \$2,000,000 of the cash is to be used to fund the Organization’s cost of administering the Integrated Delivery Network over a period of five years. The remaining balance of \$413,235 is to be distributed to participants. For the years ending September 30, 2016 and 2015, these amounts were \$2,413,235 and \$0, respectively.

**Accounts receivable**

The Organization has receivable balances due from dental services provided to individuals and from grants and contracts received from federal, state, and private agencies. Management reviews the receivable balances for collectability and records an allowance for doubtful accounts based on historical information, estimated contractual adjustments, and current economic trends. Management considers the individual circumstance when determining the collectability of past due amounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to earnings and a credit to accounts receivable. Any collection fees or related costs are expensed in the year incurred. The Organization recorded an allowance for doubtful accounts for dental service of \$7,776 and \$8,752 as of September 30, 2016 and 2015, and an allowance for doubtful accounts for grants and contracts of \$0 as of September 30, 2016 and 2015. The Organization does not charge interest on its past due accounts, and collateral is generally not required.

**Certificates of deposit**

The Organization has three certificates of deposit with one financial institution. These certificates carry original terms of 12 months to 24 months, have interest rates ranging from .40% to .55%, and mature at various dates through February 2018. All certificates are fully insured by the FDIC.

**Property and equipment**

Property and equipment is stated at cost less accumulated depreciation. The Organization generally capitalizes property and equipment with an estimated useful life in excess of one year and amounts over \$2,500. Lesser amounts are generally expensed. Purchased property and equipment is capitalized at cost.

Property and equipment are depreciated using the straight-line method using the following ranges of estimated useful lives:

Computers and Equipment	3-7 years
Dental equipment	5-7 years
Furniture and fixtures	5-7 years
Vehicles	5 years

Depreciation expense totaled \$15,721 and \$17,084 for the years ended September 30, 2016 and 2015, respectively.

## **Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

### **Deferred revenue**

Deferred revenue is related to advance payments on grants or advance billings relative to anticipated expenses or events in future periods. The revenue is realized when the expenses are incurred or as services are provided in the period earned.

### **Net assets**

The Organization is required to report information regarding its financial position and activity according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Unrestricted net assets* – consist of unrestricted amounts that are available for use in carrying out the mission of the Organization.

*Temporarily restricted net assets* – consist of those amounts that are donor restricted for a specific purpose. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has elected, however, to show those restricted contributions whose restrictions are met in the same reporting period as they are received as unrestricted support. The Organization had no temporarily restricted net assets at September 30, 2016 and 2015.

*Permanently restricted net assets* – result from contributions from donors who place restrictions on the use of donated funds mandating that the original principal remain invested in perpetuity. The Organization had no permanently restricted net assets at September 30, 2016 and 2015.

### **Income taxes**

The Organization and the ACO are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and are not classified as private foundations. FASB ASC 740-10 prescribes a recognition threshold and measurement attributable for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Organization is not aware of any such uncertain tax positions. The tax years ending September 30, 2013 through 2016 are still open to audit.

### **Functional expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Expenses are charged to programs based on direct expenses incurred and certain costs, including salaries and fringe benefits, are allocated to the programs and supporting services based upon related utilization and benefit.

### **Reclassification**

Certain amounts in the 2015 financial statements have been reclassified to conform to the current year presentation.

**Note 2. Cash Concentrations**

The Organization maintains bank account balances which, at times, may exceed federally insured limits. The Organization has not experienced any losses with these accounts, and management believes the Organization is not exposed to significant credit risk on cash as of September 30, 2016 and 2015.

The Organization attempts to manage credit risk relative to cash concentrations by utilizing "sweep" accounts. The Organization maintains ICS Sweep accounts that invest cash balances in other financial institutions at amounts that do not exceed FDIC insurable limits. All cash at these institutions is held in interest-bearing money market accounts. Interest rates on these balances ranged from .10% to .15% as of September 30, 2016.

**Note 3. Donated Services**

For the year ending September 30, 2015, the subsidiary recorded contribution revenue totaling \$9,113 as a result of donated legal services. The contribution revenue was recorded at fair market value.

**Note 4. Operating Leases**

The Organization leases office space in Littleton, NH under a three year operating lease that expires in April 2017. The Organization has the option to renew the lease for two additional years.

Future minimum rental payments under lease commitments are as follows:

Year Ended September 30,

2017	\$	34,218
Thereafter		<u>-</u>
	\$	<u>34,218</u>

Lease expense for the aforementioned leases was \$59,105 and \$60,777 for the years ended September 30, 2016 and 2015, respectively.

**Note 5. Deferred Revenue**

The summary of the components of deferred revenue as of September 30, are as follows:

	2016	2015
Deferred Revenue- IDN	\$ 2,392,816	\$ -
Deferred Revenue- ACO	-	74,810
Deferred Revenue- Other	187,053	212,362
Total	<u>\$ 2,579,869</u>	<u>\$ 287,172</u>

## **Note 5. Deferred Revenue (Continued)**

### **Deferred revenue - IDN**

Under the terms of an agreement between CMS and the State of New Hampshire Department of Health and Human Services, various Integrated Delivery Networks (IDN) are to be established within geographic regions across the state to develop programs to transform New Hampshire's behavioral health delivery system by strengthening community-based mental health and substance use disorder services and programs to combat the opioid crisis. The Organization has been designated to be the administrative lead of one of these IDNs.

In September 2016, the Organization was awarded a five-year grant from the Centers for Medicare and Medicaid Services (CMS), passed through the State of New Hampshire Department of Health and Human Services. At that date, the Organization was advanced \$2,413,256 upon fulfillment of the condition of successful submission and state approval of an IDN Project Plan. Of that amount, \$2,000,000 will be retained by the Organization as administrative fees for five years and the remaining funds will be disbursed to participants. For years two through five, The IDNs will continue to earn performance-based incentive funding by achieving defined targets and any funds received will be passed through to the participants.

### **Deferred revenue – ACO**

Deferred revenue – ACO consists of monies received from Medicare that are applicable to initial funding that are to be used for the purpose of the ACO infrastructure and administration. Revenue is to be recognized as qualified costs are incurred.

## **Note 6. Related Party Transactions**

A majority of the Organization's members and the Organization are also members of a Limited Liability Company. There were no transactions between the Limited Liability Company and the Organization's members in 2016 and 2015.

The Organization contracts various services from other organizations of which members of management of these other organizations may also be board members of North Country Health Consortium, Inc. and Subsidiary. Amounts paid to these organizations were \$121,264 and \$144,561 for the years ended September 30, 2016 and 2015, respectively. Outstanding amounts due to these organizations as of September 30, 2016 and 2015 amounted to \$0 and \$3,200, respectively. Outstanding amounts due from these organizations as of September 30, 2016 and 2015 amounted to \$1,380 and \$5,844, respectively.

## **Note 7. Retirement Plan**

The Organization offers a defined contribution savings and investment plan (the Plan) under section 403(b) of the Internal Revenue Code. The Plan is available to all employees who are 21 years of age or older. There is no service requirement to participate in the Plan. Employee contributions are permitted and are subject to IRS limitations. Monthly employer contributions are \$50 for each part-time employee and \$100 for each full-time employee. Employer contributions for the years ended September 30, 2016 and 2015 were \$16,725 and \$14,570, respectively.

**Note 8. Commitment and Contingencies**

In September 2016, the Organization entered into an agreement with a vendor for the purchase of a server and related hardware for approximately \$40,000. The Organization paid \$20,000 on the contract in September 2016, of which \$19,125 is included in prepaid expenses and \$875 in labor costs, is recorded in property and equipment. The remaining balance on the contract is substantially due upon completion of the project. At that time, the remaining cost of the server and hardware will be transferred to property and equipment and will be depreciated.

The Organization receives a significant portion of its support from various funding sources. Expenditure of these funds requires compliance with terms and conditions specified in the related contracts and agreements. These expenditures are subject to audit by the contracting agencies. Any disallowed expenditures would become a liability of the Organization requiring repayment to the funding sources. Liabilities resulting from these audits, if any, will be recorded in the period in which the liability is ascertained.

**Note 9. Federal Reports**

Additional reports, required by *Government Auditing Standards* and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, including the Schedule of Expenditures of Federal Awards, are included in the supplements to this report.

**Note 10. Subsequent Events**

The Organization has evaluated subsequent events through March 10, 2017, the date the financial statements were available to be issued.

**A.M. PEISCH & COMPANY, LLP**

**NORTH COUNTRY HEALTH  
CONSORTIUM, INC. AND SUBSIDIARY**

**ADDITIONAL REQUIRED REPORTS**

**SEPTEMBER 30, 2016**



**NORTH COUNTRY HEALTH CONSORTIUM, INC. AND SUBSIDIARY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2016**

Federal Grantor/Pass through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Subgrant No.	Federal Expenditures
<b>U.S Department of Health and Human Services</b>			
<i>Direct Programs:</i>			
Rural Health Care Services Outreach Program	93.912	D04RH28387	\$ 225,090
Quality Improvement	93.912	G20RH26398	135,983
Network Development	93.912	D06RH28031	<u>262,692</u>
			623,765
Health Careers Opportunity	93.329	G06HP27887	<u>146,799</u>
<i>Total direct programs:</i>			<u>770,564</u>
<i>Passed through the State of New Hampshire:</i>			
Public Health Emergency Preparedness	93.074	U90TP000535	<u>118,420</u>
SAP - 5 Schools INTERIM	93.243	TI010035-16	26,484
SAP - 2 Schools	93.243	SP020796	9,454
SAP - 5 Schools	93.243	SP019425	<u>106,516</u>
			<u>142,454</u>
School-Based Immunization	93.268	H231P0007757	<u>10,024</u>
Continuum of Care	93.959	TI010035-14	94,432
Substance Misuse Prevention	93.959	TI010035-14	<u>46,000</u>
			<u>140,432</u>
Community Health Workers	93.752	58DP004821	<u>110</u>
Public Health Advisory Council	93.758	B010T00937	<u>34,458</u>
Hypertension	93.757	U58DP004821	<u>38,675</u>
Medical Assistance Program - Integrated Delivery Networks	93.778	NH20164	<u>20,953</u>
Community Health Workers	93.945	58DP003930	<u>275</u>
<i>Total pass through State of New Hampshire:</i>			<u>505,801</u>
<i>Passed through the University of Dartmouth Area Health Education Center:</i>			
Area Health Education Centers	93.107	U77HP03627-09-01	<u>57,001</u>
<i>Passed through the University of New Hampshire:</i>			
Practice Transformation Network	93.638	Agreement #16-039	<u>125,899</u>
<i>Passed through the New Hampshire Health Plan:</i>			
Marketplace	93.525	HBEIE130156	<u>36,000</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>1,495,265</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**NORTH COUNTRY HEALTH CONSORTIUM, INC.  
AND SUBSIDIARY**

**Notes to Schedule of Expenditures of Federal Awards  
for the Year Ended September 30, 2016**

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of North Country Health Consortium, Inc. and Subsidiary (the Organization) under programs of the federal government for the year ended September 30, 2016. The information in this Schedule is presented in accordance with the requirements of OMB Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**Note 2. Summary of Significant Accounting Policies**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The Organization did not elect to use the 10% de minimus indirect cost rate.

# A.M. PEISCH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
& BUSINESS CONSULTANTS

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
North Country Health Consortium, Inc. and Subsidiary  
Littleton, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of North Country Health Consortium, Inc. and Subsidiary (the Organization) (a New Hampshire nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2016, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 10, 2017.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered North Country Health Consortium, Inc. and Subsidiary's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Country Health Consortium, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

- 17 -

401 Water Tower Circle  
Suite 302  
Colchester, VT 05446  
(802) 654-7255

27 Center Street  
P. O. Box 326  
Rutland, VT 05702  
(802) 773-2721

30 Congress Street  
Suite 201  
St. Albans, VT 05478  
(802) 527-0505

1020 Memorial Drive  
St. Johnsbury, VT 05819  
(802) 748-5654

24 Airport Road, Suite 402  
West Lebanon, NH 03784  
(603) 306-0100

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether North Country Health Consortium, Inc. and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*A.M. Peisch and Company, LLP*

St. Johnsbury, Vermont  
March 10, 2017  
VT Reg. No. 92-0000102

# A.M. PEISCH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
& BUSINESS CONSULTANTS

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
North Country Health Consortium, Inc. and Subsidiary  
Littleton, New Hampshire

### **Report on Compliance for Each Major Federal Program**

We have audited North Country Health Consortium, Inc. and Subsidiary's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of North Country Health Consortium, Inc. and Subsidiary's major federal programs for the year ended September 30, 2016. North Country Health Consortium, Inc. and Subsidiary's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of North Country Health Consortium, Inc. and Subsidiary's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about North Country Health Consortium, Inc. and Subsidiary's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of North Country Health Consortium, Inc. and Subsidiary's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, North Country Health Consortium, Inc. and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

### **Report on Internal Control Over Compliance**

Management of North Country Health Consortium, Inc. and Subsidiary is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered North Country Health Consortium, Inc. and Subsidiary's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of North Country Health Consortium, Inc. and Subsidiary's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*A.M. Peisch and Company, LLP*

St. Johnsbury, Vermont  
March 10, 2017  
VT Reg. No. 92-0000102

**NORTH COUNTRY HEALTH CONSORTIUM, INC.  
AND SUBSIDIARY**

**Schedule of Findings and Questioned Costs  
Year Ended September 30, 2016**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The independent auditor's report expresses an unmodified opinion on the consolidated financial statements of North Country Health Consortium, Inc. and Subsidiary.
2. No material weakness or significant deficiencies relating to the audit of the financial statements of North Country Health Consortium, Inc. and Subsidiary are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Governmental Auditing Standards*.
3. No instances of noncompliance material to the consolidated financial statements of North Country Health Consortium, Inc. and Subsidiary which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weakness or significant deficiencies relating to internal control over compliance for major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for North Country Health Consortium, Inc. and Subsidiary expresses an unmodified opinion on the major federal program.
6. There were no audit findings that are required to be reported in this schedule in accordance with 2 CFR Section 200.516(a).
7. The program tested as a major program was U.S. Department of Health and Human Services – Rural Health Care Services, Quality Improvement, and Network Development (CFDA Number 93.912).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. North Country Health Consortium, Inc. and Subsidiary was determined to be a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no reported findings related to the audit of the financial statements for the year ended September 30, 2016.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

There were no reported findings related to the audit of the federal program for the year ended September 30, 2016.

**NORTH COUNTRY HEALTH CONSORTIUM, INC.  
AND SUBSIDIARY**

**Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2016**

**2015 and 2014 FINDINGS AND QUESTIONED COSTS – AUDIT OF MAJOR FEDERAL  
AWARD PROGRAMS**

**2015 Finding:**

There were no reported findings related to the audit of the federal program for the year ended September 30, 2015.

**2014 Finding:**

There were no reported findings related to the audit of the federal program for the year ended September 30, 2014.



## 2016 - 2017 Board of Directors

### OFFICERS

<p><b><i>Ed Shanshala, President (0) (2018)</i></b>  <b>Ammonoosuc Community Health Services</b>          Chief Executive Officer          25 Mount Eustis Road          Littleton, NH 03561          Phone: 603-444-2464 x 128          Email: <a href="mailto:ed.shanshala@achs-inc.org">ed.shanshala@achs-inc.org</a></p>	<p><b><i>Kristina Fjeld-Sparks, Secretary (0) (2017)</i></b>  <b>NH AHEC/Geisel School of Medicine</b>          NH AHEC Director          37 Dewey Field Road          Hanover, NH 03755          Phone: 603-653-3207          Email: <a href="mailto:kristina.e.fjeld-sparks@dartmouth.edu">kristina.e.fjeld-sparks@dartmouth.edu</a></p>
<p><b><i>Russ Keene, Vice President (O) (2018)</i></b>  <b>North Country Healthcare</b>          Chief Financial Officer          59 Page Hill Road          Berlin, NH 03570          Phone: 603-752-2200 x5603          Email: <a href="mailto:russell.keene@avhnh.org">russell.keene@avhnh.org</a>          Alternate Email: <a href="mailto:nicole.lacasse@avhnh.org">nicole.lacasse@avhnh.org</a></p>	<p><b><i>Nancy Bishop, Asst. Secretary (0) (2019)</i></b>  <b>Grafton County Human Services</b>          Human Services Administrator          3855 Dartmouth College Highway, Box 2          North Haverhill, NH 03774          Phone: 603-787-2033          Email: <a href="mailto:nbishop@co.grafton.nh.us">nbishop@co.grafton.nh.us</a></p>
<p><b><i>Jonathan Brown, Treasurer (O) (2017)</i></b>  <b>Indian Stream Health Center</b>          Chief Executive Officer          141 Corliss Lane          Colebrook, NH 03576          Phone: 603-388-2416          Email: <a href="mailto:jbrown@indianstream.org">jbrown@indianstream.org</a></p>	

### DIRECTORS

<p><b><i>Sharon Beaty, Director (2018)</i></b>  <b>Mid-State Health Center</b>          Chief Executive Officer          101 Boulder Point Drive, Suite 1          Plymouth, NH 03264          Phone: 603-536-4000          Email: <a href="mailto:sbeaty@midstatehealth.org">sbeaty@midstatehealth.org</a></p>	<p><b><i>Mike Counter, Director (2018)</i></b>  <b>North Country Home Health &amp; Hospice Agency</b>          Executive Director          536 Cottage Street          Littleton, NH 03561          Phone: 603-444-5317          Email: <a href="mailto:mcounter@nchhha.org">mcounter@nchhha.org</a></p>
<p><b><i>Ken Gordon, Director (2018)</i></b>  <b>Coos County Family Health Services</b>          Chief Executive Officer          54 Willow Street          Berlin, NH 03570          Phone: 603-752-3669 x 4018          Email: <a href="mailto:kgordon@ccfhs.org">kgordon@ccfhs.org</a></p>	<p><b><i>Michael Lee, Director (2018)</i></b>  <b>Weeks Medical Center</b>          President          173 Middle Street          Lancaster, NH 03584          Phone: 603-788-5030          Email: <a href="mailto:michael.lee@weeksmedical.org">michael.lee@weeksmedical.org</a></p>



## 2016 - 2017 Board of Directors

<p><b><i>Suzanne Gaetjens-Oleson, Director (2018)</i></b>  <b>Northern Human Services</b>          Regional Mental Health Administrator          Administrative Offices          87 Washington Street          Conway NH 03818          Phone: 603-447-8137          Email: <a href="mailto:sgaetjens@northernhs.org">sgaetjens@northernhs.org</a></p>	<p><b><i>Jeanne Robillard, COO (2019)</i></b>  <b>Tri-County Community Action Program</b>          Chief Operating Officer          30 Exchange St.          Berlin, NH 03570          Phone: 603-752-7001          Email: <a href="mailto:jrobillard@tccap.org">jrobillard@tccap.org</a></p>
<p><b><i>Vacant (2017)</i></b>  <b>Morrison Nursing Home</b>          Executive Director          6 Terrace Street          Whitefield, NH 03598          Phone: 603-837-2541          Email:</p>	<p><b><i>Pauline Tibbetts, Director (2018)</i></b>  <b>Androscoggin Valley Home Care</b>          Interim Executive Director          795 Main Street          Berlin, NH 03570          Phone: 603-752-7505 x 817          Email: <a href="mailto:ptibbetts@avhomecare.org">ptibbetts@avhomecare.org</a></p>
<p><b><i>Scott Colby, Director (2018)</i></b>  <b>Upper Connecticut Valley Hospital</b>          President          181 Corliss Road          Colebrook, NH 03576          Phone: 603-388-4299          Email: <a href="mailto:scolby@ucvh.org">scolby@ucvh.org</a></p>	<p><b><i>Karen Woods, Director (2018)</i></b>  <b>Cottage Hospital</b>          Administrative Director          90 Swiftwater Road          PO Box 2001          Woodsville, NH 03785          Phone: 603-747-9109          Email: <a href="mailto:kwoods@cottagehospital.org">kwoods@cottagehospital.org</a></p>
<p><b><i>Michael Peterson, Director (2018)</i></b>  <b>Androscoggin Valley Hospital</b>          President          59 Page Hill Road          Berlin, NH 03570          Phone: 603-326-5602          Email: <a href="mailto:michael.peterson@avnhn.org">michael.peterson@avnhn.org</a></p>	<p><b><i>Robert Nutter, Director (2018)</i></b>  <b>Littleton Regional Healthcare</b>          President          600 St. Johnsbury Road          Littleton, NH 03561          Phone: 603-444-9501 x.9501          Email: <a href="mailto:rnutter@lrhcares.org">rnutter@lrhcares.org</a></p>
<p><b><i>Rev. Curtis Metzger (2019)</i></b>  <b>All Saints' Episcopal Church</b>          35 School Street          Littleton, NH 03561          Phone: 603-209-0755          Email: <a href="mailto:curtismmetzger@yahoo.com">curtismmetzger@yahoo.com</a></p>	<p><b><i>Roxie Severance, Director (2020)</i></b>  <b>RS Consulting</b>          544 Jefferson Road          Whitefield, NH 03598          Phone: 603-733-6072          Email: <a href="mailto:Roxie@rsconsulting.services">Roxie@rsconsulting.services</a></p>