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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

Jeffrey A. Meyers
Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
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Kathleen A. Dunn
Associate Commissioner
Medicaid Director

February 11, 2016

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Bureau of Behavioral Health, to amend an existing agreement with NFI North, Inc. 40 Park Lane, Contoocook, NH 03229 (Vendor #177575-B001), to operate the transitional housing program on the New Hampshire Hospital campus, by adjusting the Therapeutic Behavioral Service (TBS) rate. The Governor and Executive Council approved the original agreement on December 16, 2015 (item #13). This is a zero cost amendment with no change to the contract end date of June 30, 2017. 49.75% Federal Funds, 49.75 General Funds, .50% Other Funds.

Funds are available in the following accounts in State Fiscal Year 2016 and State Fiscal Year 2017 with the authority to adjust amounts between State Fiscal Years if needed and justified, without Governor and Executive Council approval.

05-095-047-470010-79480000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVSC, HHS: COMMISSIONER, OFF MEDICAID BUSINESS & POLICY, MEDICAID CARE

Fiscal Year	Class	Title	Activity Code	Amount
2016	101-500729	Payments to Providers	47004206	\$2,400,000
2017	101-500729	Payments to Provider	47004206	\$4,800,000
			Sub-Total:	\$7,200,000

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

Fiscal Year	Class	Title	Activity Code	Amount
2016	102-500731	Contracts for Program Svcs.	92005945	\$12,000
2017	102-500731	Contracts for Program Svcs.	92005945	\$24,000
			Sub-Total:	\$36,000
			Total:	\$7,236,000

EXPLANATION

The purpose of this amendment is to allow the vendor to adjust the Therapeutic Behavioral Service (TBS) rate due to an erroneous typographical error which resulted in an amount that is not currently a Medicaid approved rate. During discussions with the vendor, they understand and have no exceptions to this change.

There are no additional funds being requested in this amendment. Other than the change outlined in the paragraph above, all other terms and conditions remain unchanged from the original agreement approved by the Governor and Executive Council on December 16, 2015 (item #13).

The vendor provides transitional housing services to mental health consumer by providing extensive support and rehabilitation prior to returning to their community. Return to a community setting may be impeded by the individual's need for greater self-direction of daily living, behavioral problems that have been unmanageable in other community programs. Transitional housing program services offer a higher level of housing and rehabilitation services which are not available in other community settings.

This contract was competitively bid.

Should the Governor and Executive Council not approve this request, the Department would have an unapproved amount billed toward the Therapeutic Behavioral Services (TBS) provided by the vendor which will result in the denial of claims. Denial of claims would force undue hardship upon the vendor who may find it necessary to terminate this much needed agreement.

Area Served: Statewide

Source of Funds: 49.75% Federal Funds from United States Department of Health and Human Services, Centers for Medicare and Medicaid, Catalog of Domestic Assistance (CFDA) #93.778 49.75% General Funds and .50% Other Funds (from the Recycling Program).

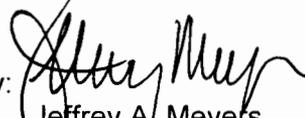
In the event Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Kathleen A. Dunn
Associate Commissioner
Medicaid Director

Approved by:



Jeffrey A. Meyers
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the Transitional Housing Services Contract**

This 1st Amendment to the Transitional Housing Services contract (hereinafter referred to as "Amendment #1") dated this, February 8, 2015 is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and NFI NORTH, INC. (hereinafter referred to as "the Contractor"), a sole proprietor with a place of business 40 Park Lane, Contoocook, NH 03229.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 16, 2015 (item #13), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, and Exhibit C-1 Paragraph 3, the State may renew the contract for three (3) additional years by written agreement of the parties and approval of the Governor and Executive Council; and;

WHEREAS, the parties agree to amend the rate of Therapeutic Behavioral Services – H2020; and

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

To amend as follows:

1. Delete Exhibit B-1, Line 1, and replace with the following:

	Minimum Staff Qualifications	Service	National Code	Rate	Freq./ Duration
1.	Bachelors Level Staff	Therapeutic Behavioral Service (TBS) Per Diem	H2020	\$219.00	1 event per day



New Hampshire Department of Health and Human Services
Transitional Housing Services

2. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

2/25/16
Date

Maureen Albin
NAME
TITLE Associate Commissioner

2/9/16
Date

NFI North, Inc.
[Signature]
Paul Dann
Executive Director

Acknowledgement:

State of New Hampshire, County of Merrimack on 2/9/16, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Joanne M. Daufen
Name and Title of Notary or Justice of the Peace



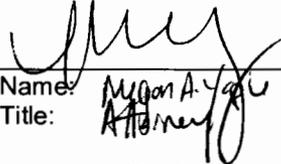
New Hampshire Department of Health and Human Services
Transitional Housing Services



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

Date 3/10/14


Name: William A. Yaguez
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____

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 NFI NORTH, INC. is a New Hampshire nonprofit corporation formed July 6, 1992. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.

In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 28th day of September A.D. 2015



William M. Gardner

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation with Seal)

I, Doug Giles , Secretary of the
(Corporation Representative Name) (Corporation Representative Title)

 NFI North, Inc. , do hereby certify that:
(Corporation Name)

(1) I am the duly elected and acting Secretary of the
(Corporation Representative Title)

 NFI North, Inc. , a New Hampshire corporation (the "Corporation");
(Corporation Name) (State of Incorporation)

(2) I maintain and have custody of and am familiar with the Seal and minute books of the Corporation;

(3) I am duly authorized to issue certificates;

(4) the following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held on the

 9th day of March , 2015 , which meeting was duly held in accordance with

 New Hampshire law and the by-laws of the Corporation:
(State of Incorporation)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting by and through the Department of Health and Human Services, providing for the performance by the Corporation of certain Transitional Housing Amendment services, and that the Executive Director, President (any Vice President) (and the Treasurer) (or any of them acting singly) be and hereby (is) (are) authorized and directed for and on behalf of this Corporation to enter into the said contract with the State and to take any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) as (she) (he) (any of them) may deem necessary, desirable or appropriate to accomplish the same;

RESOLVED: That the signature of any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby;

The forgoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following person(s) (has) (have) been duly elected and now occupy the office(s) indicated below

 Jan Arsenault President Name

 Paul L. Dann, Ph.D. Executive Director

 Heidi Edwards Dunn Treasurer Name

IN WITNESS WHEREOF, I have hereunto set my hand as the _____ Secretary _____
(Title)

of the Corporation and have affixed its corporate seal this 9th day of February, 2016.

Doug Giles
(Signature)

(Seal)

STATE OF New Hampshire

COUNTY OF Merrimack

On this the 9th day of February, 2016, before me, JoAnne M. Daufen, the undersigned officer, personally appeared Doug Giles, who acknowledge her/himself to be the

Secretary, of NEI North Inc, a corporation, and that she/he, as
(Title) (Name of Corporation)

such Secretary being authorized to do so, executed the foregoing instrument for the
(Title)

purposes therein contained, by signing the name of the corporation by her/himself as
Doug Giles.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

JoAnne M. Daufen
Notary Public/Justice of the Peace

My Commission expires: July 24, 2018



NFI NORTH Mission Statement

Inspire and Empower People to reach their full potential so they can live successfully within their home and community



NFI NORTH, INC.

Financial Statements

June 30, 2015

(With Independent Auditors' Report Thereon)

NFI NORTH, INC.

Financial Statements

June 30, 2015

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KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' Report

The Board of Directors
NFI North, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of NFI North, Inc. (NFIN), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to NFIN's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NFIN'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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NFIN as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2015 on our consideration of NFIN'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 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 NFIN's internal control over financial reporting and compliance.

KPMG LLP

September 30, 2015

NFI NORTH, INC.
Statement of Financial Position
June 30, 2015

Assets

Current assets:	
Cash and equivalents	\$ 544,247
Accounts receivable, net (note 2)	852,796
Prepaid expenses and other current assets	60,663
Due from affiliate (note 7)	22,785
Total current assets	1,480,491
Property and equipment (note 4):	
Land	535,992
Buildings and improvements	7,136,436
Equipment and furnishings	706,059
Motor vehicles	1,028,415
	9,406,902
Less accumulated depreciation	(4,736,247)
Property and equipment, net	4,670,655
Due from affiliate (note 7)	17,902
Other assets	11,500
Total assets	\$ 6,180,548

Liabilities and Net Assets

Current liabilities:	
Current portion of long-term debt (note 4)	\$ 321,509
Accounts payable	132,667
Line of credit (note 3)	350,000
Accrued payroll and related liabilities	313,319
Other accrued expenses	161,360
Deferred revenue	207,348
Total current liabilities	1,486,203
Long-term liabilities:	
Long-term debt, net of current portion (note 4)	3,223,480
Total liabilities	4,709,683
Net assets:	
Unrestricted	1,419,149
Temporarily restricted	51,716
Total net assets	1,470,865
Total liabilities and net assets	\$ 6,180,548

See accompanying notes to financial statements.

NFI NORTH, INC.
Statement of Activities
Year ended June 30, 2015

Changes in unrestricted net assets:	
Revenues and other support:	
Contracts, net (note 2)	\$ 16,294,528
Contributions:	
In-kind	695,367
Other	6,580
Interest and dividends	35,369
Miscellaneous	4,759
	17,036,603
Net assets released from program restrictions	12,751
Total revenues and other support	17,049,354
Expenses:	
Program services	14,861,005
Supporting services (note 7)	2,056,600
	16,917,605
Increase in unrestricted net assets before nonoperating activities	131,749
Nonoperating revenues:	
Gain on disposal of property and equipment	19,291
	151,040
Changes in temporarily restricted net assets:	
Contributions	26,339
Net assets released from program restrictions	(12,751)
	13,588
Increase in net assets	164,628
Net assets at beginning of year	1,306,237
Net assets at end of year	\$ 1,470,865

See accompanying notes to financial statements.

NFI NORTH, INC.
Statement of Functional Expenses
Year ended June 30, 2015

	<u>Program services</u>	<u>Supporting services</u>	<u>Total</u>
Personnel expenses:			
Salaries, payroll taxes and employee benefits	\$ 10,543,738	1,135,434	11,679,172
Other expenses:			
Contracted services	747,017	689,354	1,436,371
Other direct costs	750,867	94,036	844,903
In-kind	695,367	—	695,367
Consumables	625,169	—	625,169
Occupancy	571,067	20,183	591,250
Transportation	227,480	29,845	257,325
Interest	137,875	24,197	162,072
Equipment	86,478	30,327	116,805
	<u>3,841,320</u>	<u>887,942</u>	<u>4,729,262</u>
Depreciation and amortization	475,947	33,224	509,171
Total expenses	<u>\$ 14,861,005</u>	<u>2,056,600</u>	<u>16,917,605</u>

See accompanying notes to financial statements.

NFI NORTH, INC.
Statement of Cash Flows
Year ended June 30, 2015

Cash flows from operating activities:	
Increase in net assets	\$ 164,628
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	509,171
Gain on sale of property and equipment	(19,291)
Changes in assets and liabilities:	
Accounts receivable, net	106,123
Prepaid expenses and other current assets	4,429
Other assets	108,645
Accounts payable	(13,403)
Accrued payroll and related liabilities	(312,223)
Other accrued expenses	41,107
Deferred revenue	(72,826)
Net cash provided by operating activities	<u>516,360</u>
Cash flows from investing activities:	
Purchases of property and equipment	(406,748)
Proceeds from sale of property and equipment	26,820
Decrease in due from affiliate	82,252
Net cash used in investing activities	<u>(297,676)</u>
Cash flows from financing activities:	
Issuance of long-term debt	227,267
Repayments of long-term debt	(333,485)
Advances from line of credit	550,000
Repayments on line of credit	(300,000)
Net cash provided by financing activities	<u>143,782</u>
Net increase in cash and equivalents	362,466
Cash and equivalents at beginning of year	<u>181,781</u>
Cash and equivalents at end of year	<u>\$ 544,247</u>
Supplemental data:	
Cash paid for interest	\$ 162,072

See accompanying notes to financial statements.

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies

NFI North, Inc. (NFIN) is a not-for-profit organization whose purpose is to provide community-based social services to individuals and their families. NFIN is a subsidiary of North American Family Institute, Inc. (NAFI), which is the sole member of NFIN's board of directors. Substantially all of NFIN's revenues are derived from services contracted with Medicaid, the State of New Hampshire Division of Children, Youth & Families, and local public school districts.

(a) Basis of Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on NFIN as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of NFIN and/or the passage of time.

Unrestricted net assets – Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions and/or time restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets. Expirations of temporary restrictions occur when donor-imposed stipulated purposes have been accomplished and/or the stipulated time period has elapsed. If an expense is incurred for a purpose for which both unrestricted and temporarily restricted net assets are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred unless the expense is for a purpose that is directly attributable to another specified external source of revenue.

(b) Revenue Recognition

Under cost reimbursement contracts, revenues are recognized as expenses are incurred. Under units-of-service contracts, revenues are recognized when services are provided.

(c) Income Taxes

NFIN is an organization described under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally exempt from income taxes under IRC Section 501(a). NFIN has taken no significant uncertain tax positions.

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2015

(d) Use of Estimates

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

(e) Concentration of Risk

NFIN receives the majority of its funding from state contracts that are renewable annually. Legislative budgets could significantly impact NFIN's ability to start new programs and to continue existing programs.

(f) Cash Equivalents

All short-term investments with an original maturity at purchase of three months or less are considered cash equivalents for purposes of the statement of cash flows.

(g) Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at fair value at the date of gift. Depreciation is provided using the straight-line method over the following estimated useful lives:

Buildings and improvements	15–33.3 years
Equipment and furnishings	2–10 years
Motor vehicles	3–5 years

Leasehold improvements are depreciated or amortized according to the organization's normal depreciation policy except that the time period shall be the shorter of: 1) the useful life of the leasehold improvements, or 2) the remaining years of the lease. The remaining years of the lease include the years in the lease renewals that are reasonably assured.

(h) Self-Insurance

NFIN is self-insured for employee medical healthcare costs. At June 30, 2015, the estimated liability for healthcare claims incurred but not yet reported or paid was \$84,216 and is included in accrued payroll and related liabilities in the accompanying statement of financial position.

(i) In-Kind Contributions

In-kind contributions are generally recognized at fair value on the date received. During fiscal 2015, NFIN received in-kind contributions of rent, equipment and furnishings, and consumables amounting to \$695,367.

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2015

(j) Subsequent Events

NFIN has evaluated events subsequent to June 30, 2015 and through September 30, 2015, which is the date that the financial statements were available to be issued. NFIN has determined there are no material events that would require recognition or disclosure in this report through this date.

(2) Accounts Receivable

Accounts receivable of \$852,796 is carried net of an allowance for estimated contractual adjustments and doubtful accounts receivable of \$4,307. Contract revenues of \$16,294,528 in 2015 have been decreased by contractual adjustments of \$176,112.

(3) Line of Credit

NAFI makes available to its subsidiaries, including NFIN, NAFI Connecticut, Inc. (NAFICT), NFI Vermont, Inc. (NFIV), NFI Massachusetts, Inc. (NFI) and Team Coordinating Agency (TCA), an on-demand \$8,000,000 line of credit from TD Bank. The line of credit bears interest at a fluctuating rate per annum equal to the Wall Street Journal Prime Rate, plus 0.50% per annum, (3.75% at June 30, 2015). Borrowings under the line are jointly guaranteed by NAFI, NFIN, NAFICT, NFIV and NFI and are collateralized by substantially all of their assets.

Borrowings under the line of credit are due upon demand, and the line is subject to annual renewal. At June 30, 2015, \$2,670,000 was outstanding under this line of credit, of which \$350,000 was due from NFI North.

In addition, NAFI has entered into Letter of Credit agreements with TD Bank for the year ended June 30, 2015 for a total of \$2,719,134. The Letter of Credit agreements can be utilized by all subsidiaries in the aggregate of \$8,000,000 and are not collateralized with additional cash. The Letter of Credit agreements are a requirement of NAFI's workers' compensation carrier.

NFI NORTH, INC.
Notes to Financial Statements
June 30, 2015

(4) Long-Term Debt

Interest rate at June 30, 2015	Fiscal year due	Amount
Mortgages payable, secured by real estate:		
3.73% fixed	2017	\$ 412,566
2.63% fixed	2018	459,612
6.43% fixed	2018	452,263
4.30% fixed	2019	207,363
4.75% variable	2026	73,692
0.00% fixed*	2027	160,000
8.00% fixed	2027	44,681
0.00% fixed*	2028	160,000
8.00% fixed	2028	44,513
5.50% fixed	2030	219,492
7.00% fixed	2030	134,616
7.00% fixed	2030	125,070
0.00% fixed*	2030	125,000
0.00% fixed*	2030	116,767
7.00% fixed	2031	312,620
4.75% variable	2031	130,037
0.00% fixed*	2031	100,000
Total mortgages payable		<u>3,278,292</u>
Vehicle notes, secured by automobiles:		
0.00% fixed	2016	3,301
5.50% fixed	2017	13,585
1.90% fixed	2017	10,063
1.90% fixed	2017	10,054
1.90% fixed	2017	9,504
1.90% fixed	2017	9,038
0.00% fixed	2018	27,786
0.00% fixed	2018	24,169
0.00% fixed	2018	23,911
5.99% fixed	2018	21,370
0.00% fixed	2019	31,384
0.00% fixed	2019	31,383
0.00% fixed	2019	25,614
0.00% fixed	2019	25,535
Total vehicle note payables		<u>266,697</u>
Total long-term debt		3,544,989
Less current portion		<u>(321,509)</u>
Total long-term debt, net of current portion		<u>\$ 3,223,480</u>

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2015

Long-term debt at June 30, 2015 consisted of the following:

- * Certain mortgages payable to housing authorities provide that a portion of the principal will be forgiven at the end of the loan period if the underlying properties are used to provide housing in accordance with stipulated conditions. In addition, certain mortgages payable contain various prepayment penalties.

Scheduled repayments of long-term debt are as follows:

	<u>Amount due</u>
Year ending June 30:	
2016	\$ 321,509
2017	669,494
2018	906,937
2019	125,914
2020	65,620
Thereafter	<u>1,455,515</u>
	<u>\$ 3,544,989</u>

Interest expense was \$162,072 for the year ended June 30, 2015.

(5) Operating Leases

NFIN leases certain property, motor vehicles, and equipment under noncancelable (except under certain circumstances) operating lease arrangements. Rental and lease expense amounted to \$106,865 for the year ended June 30, 2015, including \$55,468 of related party property charges described in note 7. Future minimum lease payments as of June 30, 2015 are as follows:

	<u>Amount due</u>
Year ending June 30:	
2016	\$ 37,906
2017	21,661
2018	17,042
2019	<u>8,161</u>
	<u>\$ 84,770</u>

(6) Retirement Plan

NFIN has a qualified defined contribution retirement plan for eligible employees to which annual contributions are made at the discretion of NFIN's board of directors. NFIN elected to contribute \$43,556 for the year ended June 30, 2015.

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2015

(7) Related-Party Transactions

North American Family Institute, Inc. (NAFI), an affiliate, charges an administrative management fee for supporting service costs that NAFI incurs on behalf of the subsidiaries. These allocated costs amounted to \$808,085 for the year ended June 30, 2015, and have been included in supporting services expenses in the accompanying statements of activities and functional expenses.

In addition, NFIN pays NAFI a property charge for usage of certain fixed assets of NAFI. This charge was \$55,468 for the year ended June 30, 2015, and has been included in the accompanying statements of activities and functional expenses.

Cost reimbursement overpayments have resulted in a balance due from NAFI as of June 30, 2015 in the amount of \$40,687. This amount has been reported as due from affiliate in the accompanying statement of financial position. The current portion to be received within one year is \$22,785.

NAFI and affiliated corporations (NFIN, NFIVT, NAFICT, NFIM and TCA) may periodically make short term loans, not to exceed one year, to its affiliated corporations, secured by documentation evidencing such indebtedness. The documentation shall include date and amount of request, interest rate, and other appropriate terms approved by the Executive Director of Administrative Services and the Executive Director of the borrowing affiliated corporation. For the year ending June 30, 2015, NFIN paid NAFI Connecticut, Inc. (NAFICT), an affiliate, an interest fee, based on prime rate less 0.50%, for usage of certain cash reserves. The amount of related interest expense recorded in the accompanying statement of activities for the year ended June 30, 2015 was not significant.



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

**Independent Auditors' 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***

The Board of Directors
NFI North, Inc.:

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 financial statements of NFI North, Inc. (NFIN), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NFIN'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of NFIN's internal control. Accordingly, we do not express an opinion on the effectiveness of NFIN'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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NFIN's 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 NFIN'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 NFIN's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

September 30, 2015



**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Consolidated Financial Statements

June 30, 2015

(With Independent Auditors' Report Thereon)

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Consolidated Financial Statements

June 30, 2015

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KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' Report

The Board of Directors
North American Family Institute, Inc.:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of North American Family Institute, Inc. and subsidiaries (NAFI), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 organization'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 organization'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.

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 consolidated financial position of NAFI as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2015 on our consideration of NAFI'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 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 NAFI's internal control over financial reporting and compliance.

KPMG LLP

September 30, 2015

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Consolidated Statement of Financial Position

June 30, 2015

Assets

Current assets:	
Cash and equivalents	\$ 12,505,072
Restricted cash	121,084
Accounts receivable, net (note 2)	8,778,049
Prepaid expenses and other current assets	594,514
Total current assets	21,998,719
Property and equipment:	
Buildings and improvements	25,020,901
Land	4,773,823
Equipment and furnishings	4,211,632
Motor vehicles	1,919,598
Construction in progress	218,287
	36,144,241
Less accumulated depreciation	(16,847,886)
Property and equipment, net	19,296,355
Investments (note 4)	828,125
Other assets (note 5)	943,641
Total assets	\$ 43,066,840

Liabilities and Net Assets

Current liabilities:	
Current portion of long-term debt (note 5)	\$ 1,456,644
Accounts payable	1,286,736
Line of credit (note 3)	2,670,000
Accrued payroll and related liabilities	2,320,833
Other accrued expenses	1,811,604
Deferred revenue (note 8)	2,014,615
Total current liabilities	11,560,432
Long-term liabilities:	
Long-term debt, net of current portion (note 5)	11,332,975
Total liabilities	22,893,407
Net assets:	
Unrestricted	19,982,110
Temporarily restricted	191,323
Total net assets	20,173,433
Total liabilities and net assets	\$ 43,066,840

See accompanying notes to consolidated financial statements.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Consolidated Statement of Activities

Year ended June 30, 2015

Changes in unrestricted net assets:	
Revenues and other support:	
Contracts, net (note 2)	\$ 95,467,083
Contributions:	
In-kind	1,938,639
Other	473,718
Interest and dividends	220,060
Miscellaneous	285,566
	98,385,066
Net assets released from program restrictions	28,084
Total revenues and other support	98,413,150
Expenses:	
Program services	86,659,204
Supporting services	11,104,041
	97,763,245
Increase in unrestricted net assets before nonoperating activities	649,905
Nonoperating revenues:	
Net realized and unrealized gain on investments	47,831
Net realized and unrealized gain on equity investments	16,702
Net gain on interest rate swap (note 5)	63,660
Net gain on sales of property and equipment (note 8)	2,006,259
	2,784,357
Changes in temporarily restricted net assets:	
Contributions	32,519
Net assets released from program restrictions	(28,084)
	4,435
Increase in temporarily restricted net assets	4,435
Increase in net assets	2,788,792
Net assets at beginning of year	17,384,641
Net assets at end of year	\$ 20,173,433

See accompanying notes to consolidated financial statements.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Consolidated Statement of Functional Expenses

Year ended June 30, 2015

	Program services	Supporting services	Total
Personnel expenses:			
Salaries, payroll taxes and employee benefits	\$ 63,403,365	7,724,876	71,128,241
Other expenses:			
Contracted services	6,237,733	1,310,007	7,547,740
Occupancy	3,726,819	585,927	4,312,746
Consumables	3,648,689	—	3,648,689
Other direct expenses	2,698,337	721,823	3,420,160
Transportation	2,071,856	247,295	2,319,151
In-kind	1,936,839	1,800	1,938,639
Equipment	602,950	123,547	726,497
Interest	505,655	38,419	544,074
	21,428,878	3,028,818	24,457,696
Depreciation and amortization	1,826,961	350,347	2,177,308
Total expenses	\$ 86,659,204	11,104,041	97,763,245

See accompanying notes to consolidated financial statements.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Consolidated Statement of Cash Flows

Year ended June 30, 2015

Cash flows from operating activities:	
Increase in net assets	\$ 2,788,792
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	2,177,308
Gain on disposal of property and equipment	(2,006,259)
Net realized and unrealized gain on investments	(47,831)
Net realized and unrealized gain on equity investments	(16,702)
Change in value of interest rate swap	(63,660)
Changes in assets and liabilities:	
Accounts receivable, net	(357,021)
Prepaid expenses and other current assets	(87,897)
Other assets	87,682
Accounts payable	(566,079)
Accrued payroll and related liabilities	(1,305,167)
Other accrued expenses	(22,712)
Deferred revenue	(58,126)
Net cash provided by operating activities	<u>522,328</u>
Cash flows from investing activities:	
Net change in restricted cash	1,601
Purchases of property and equipment	(1,874,039)
Purchases of investments	(194,937)
Proceeds from sale of property and equipment	2,837,320
Proceeds from sale of investments	194,937
Net cash provided by investing activities	<u>964,882</u>
Cash flows from financing activities:	
Issuance of long-term debt	731,258
Repayments of long-term debt	(1,263,807)
Advances from line of credit	6,060,000
Repayments of line of credit	(4,836,842)
Net cash provided by financing activities	<u>690,609</u>
Net increase in cash and equivalents	2,177,819
Cash and equivalents at beginning of year	<u>10,327,253</u>
Cash and equivalents at end of year	<u>\$ 12,505,072</u>
Supplemental data:	
Cash paid for interest	\$ 543,522

See accompanying notes to consolidated financial statements.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies

The accompanying consolidated financial statements include the activities and balances of North American Family Institute, Inc. and its subsidiaries, including NAFI Connecticut, Inc. (NAFICT), NFI Massachusetts, Inc. (NFI), NFI North, Inc. (NFIN), and NFI Vermont, Inc. (NFIV) (collectively NAFI). NAFI is a not-for-profit organization whose purpose is to provide community-based social services to individuals and their families. NAFI's revenues are derived primarily from services contracted with the states of Connecticut, Florida, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont, and Virginia; the federal government; and certain commercial payers.

(a) Basis of Presentation

All intercompany transactions and balances have been eliminated in consolidation.

The accompanying consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on NAFI as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of NAFI and/or the passage of time.

Unrestricted net assets – Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions and/or time restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets. Expirations of temporary restrictions occur when donor-imposed stipulated purposes have been accomplished and/or the stipulated time period has elapsed. If an expense is incurred for a purpose for which both unrestricted and temporarily restricted net assets are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred unless the expense is for a purpose that is directly attributable to another specified external source of revenue.

(b) Revenue Recognition

Under cost reimbursement contracts, revenues are recognized as expenses are incurred. Under units-of-service contracts, revenues are recognized when services are provided.

(c) Income Taxes

North American Family Institute, Inc. and each of its subsidiaries are organizations described under Section 501(c)(3) of the Internal Revenue Code (IRC) and are generally exempt from income taxes under IRC Section 501(a). NAFI has taken no significant uncertain tax positions.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2015

(d) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The current economic environment increases the uncertainty of those estimates.

(e) Concentration of Risk

NAFI receives the majority of its funding from state and federal contracts that are renewable annually. Legislative budgets could significantly impact NAFI's ability to start new programs and to continue existing programs.

(f) Cash Equivalents

All short-term investments with an original maturity at purchase of three months or less are considered cash equivalents for purposes of the statement of cash flows. Restricted cash consists of funds reserved in connection with the bonds issuance as described in note 5.

(g) Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at fair value at the date of gift. Depreciation is provided using the straight-line method over the following estimated useful lives:

Building and improvements	15–33.3 years
Equipment and furnishings	2–10 years
Motor vehicles	3–5 years

Leasehold improvements are depreciated or amortized according to the organization's normal depreciation policy except that the time period shall be the shorter of: (1) the useful life of the leasehold improvements, or (2) the remaining years of the lease. The remaining years of the lease include the years in the lease renewals that are reasonably assured.

During 2015, NAFI owned land and buildings subject to a mortgage of \$42,679 located in Waterbury, Connecticut. On February 4, 2015, the property was sold resulting in a gain of \$2,237,526.

(h) Self-Insurance

NAFI is self-insured for employee medical healthcare costs. At June 30, 2015, the estimated liability for healthcare claims incurred but not yet reported or paid was \$494,795 and is included in accrued payroll and related liabilities in the accompanying consolidated statement of financial position.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2015

(i) In-Kind Contributions

In-kind contributions are generally recognized at fair value on the date received. During fiscal 2015, NAFI received in-kind contributions of rent, services, equipment and furnishings, utilities and consumables amounting to \$1,938,639.

(j) Fair Value of Financial Instruments

Fair value represents the price that NAFI would receive upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. NAFI uses a three-tier hierarchy to categorize those assets and liabilities based on those valuation methodologies employed. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, credit risk, etc.).
- Level 3 – significant unobservable inputs (including NAFI's own assumptions in determining the fair value of financial instruments).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. NAFI utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs to the extent possible.

(k) Subsequent Events

NAFI has evaluated events subsequent to June 30, 2015 and through September 30, 2015 which is the date that the consolidated financial statements were available to be issued. On July 1, 2015 NFI merged with its subsidiary, Team Coordinating Agency, Inc. (TCA) resulting in NFI remaining as the surviving corporation. TCA was acquired on February 1, 2014 and was consolidated within NFI as of the acquisition date.

(2) Accounts Receivable

Accounts receivable of \$8,778,049 is carried net of allowances for estimated contractual adjustments and doubtful accounts receivable of \$318,626. Contract revenues of \$95,467,083 in 2015 have been decreased by estimated contractual adjustments of \$474,868.

(3) Line of Credit

NAFI makes available to its subsidiaries, including NAFICT, NFIV, NFI, NFIN and TCA, an on demand \$8,000,000 line of credit from TD Bank. The line of credit bears interest at a fluctuating rate per annum equal to the Wall Street Journal Prime Rate, plus 0.50% per annum, (3.75% at June 30, 2015). Borrowings under the line are jointly guaranteed by NAFI, NAFICT, NFIV, NFI, and NFIN and are collateralized by substantially all of their assets.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2015

Borrowings under the line of credit are due upon demand, and the line is subject to annual renewal. At June 30, 2015, \$2,670,000 was outstanding under this line of credit.

In addition, NAFI has entered into letter of credit agreements with TD Bank for the year ended June 30, 2015 for a total of \$2,719,134. The letter of credit agreements can be utilized by all subsidiaries in the aggregate of \$8,000,000 and are not collateralized with additional cash. The letter of credit agreements are a requirement of NAFI's workers' compensation carrier.

(4) Investments

Investments are carried at fair value. Investments at June 30, 2015 consisted of the following:

Equities	\$	631,483
Cash and equivalents		145,408
Corporate bonds		<u>51,234</u>
Total investments	\$	<u><u>828,125</u></u>

All investments are valued using Level 1 inputs in accordance with the fair value hierarchy, except corporate bonds that are considered Level 2. There were no transfers between fair value levels during the year.

(5) Long-Term Debt

Long-term debt consisted of the following:

Interest rate at June 30, 2015	Fiscal year due	Amount
Bonds payable:		
2.7141% variable	2023	\$ 468,928
3.75% – 4.70% variable (4.15% as of June 30, 2015)	2024	808,788
0.07533% variable	2027	1,828,000
3.400% fixed	2041	<u>321,162</u>
Total bonds payable		<u><u>3,426,878</u></u>
Mortgages payable, secured by real estate:		
5.250% fixed	2016	256,494
3.840% variable	2016	143,459
5.250% fixed	2016	25,110
3.730% fixed	2017	412,566
3.500% fixed	2017	169,833
3.750% fixed	2017	83,608
0.000% fixed**	2017	63,000
3.750% fixed	2017	11,389
2.630% fixed	2018	459,612
6.430% fixed	2018	452,263
3.590% fixed	2018	229,856
4.110% fixed	2018	113,898

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2015

<u>Interest rate at June 30, 2015</u>	<u>Fiscal year due</u>	<u>Amount</u>
3.390% fixed	2018	\$ 77,533
3.490% fixed	2018	34,681
4.350% fixed	2019	308,667
4.300% fixed	2019	207,363
4.350% fixed	2019	160,205
3.950% fixed	2020	300,000
4.300% fixed	2020	224,163
4.300% fixed	2020	95,653
3.950% fixed	2020	85,000
4.290% fixed	2022	213,651
4.290% variable	2022	212,932
2.000% fixed	2023	73,237
5.125% fixed	2024	157,304
3.950% fixed	2025	28,134
3.950% fixed	2026	283,920
4.980% fixed	2026	135,635
8.500% fixed	2026	102,896
4.750% variable	2026	73,692
4.240% variable	2027	800,977
0.000% fixed*	2027	160,000
8.000% fixed	2027	44,681
3.630% fixed	2028	284,462
0.000% fixed*	2028	160,000
8.000% fixed	2028	44,513
3.970% fixed	2029	417,670
5.500% fixed	2030	219,492
7.000% fixed	2030	134,616
7.000% fixed	2030	125,070
0.000% fixed*	2030	125,000
0.000% fixed*	2030	116,767
7.000% fixed	2031	312,620
5.250% fixed	2031	306,744
0.000% fixed**	2031	179,296
4.750% fixed	2031	130,037
0.000% fixed*	2031	100,000
0.000% fixed**	2034	75,000
Total mortgages payable		<u>8,932,699</u>

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2015

<u>Interest rate at June 30, 2015</u>	<u>Fiscal year due</u>	<u>Amount</u>
Vehicle notes, secured by automobiles:		
4.45% fixed	2016	\$ 4,694
4.50% fixed	2016	4,026
0.00% fixed	2016	3,301
4.45% fixed	2016	3,058
4.50% fixed	2016	2,018
5.50% fixed	2017	13,584
3.00% fixed	2017	11,813
0.00% fixed	2017	11,671
1.90% fixed	2017	10,063
1.90% fixed	2017	10,054
1.90% fixed	2017	9,504
1.90% fixed	2017	9,038
0.90% fixed	2017	7,759
0.90% fixed	2017	7,408
3.00% fixed	2017	5,874
0.00% fixed	2018	27,786
0.00% fixed	2018	24,169
0.00% fixed	2018	23,911
5.99% fixed	2018	21,370
4.45% fixed	2018	15,065
0.90% fixed	2018	13,850
1.90% fixed	2018	9,677
0.00% fixed	2019	31,384
0.00% fixed	2019	31,383
0.00% fixed	2019	25,614
0.00% fixed	2019	25,535
4.19% fixed	2019	13,125
5.99% fixed	2020	27,596
4.75% fixed	2020	25,712
		<u>430,042</u>
Total vehicle notes payable		<u>430,042</u>
Total long-term debt		12,789,619
Less current portion		<u>(1,456,644)</u>
Total long-term debt, net of current portion		<u>\$ 11,332,975</u>

* Certain mortgages payable to housing authorities provide that a portion of the principal will be forgiven at the end of the loan period if the underlying properties are used to provide housing in accordance with stipulated conditions. In addition, certain mortgages payable contain various prepayment penalties.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
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Notes to Consolidated Financial Statements

June 30, 2015

** Mortgages payable to North Shore Home Consortium, Federal Home Loan Bank and Community Economic Development Assistance (CEDAC) provide that the principal will be forgiven at the end of the loan period if the underlying properties are used to provide housing in accordance with stipulated conditions.

On May 2, 2003, NFI entered into a bond agreement with TD Bank, N.A. for \$2,000,000 at a variable interest rate of 4.860% (currently at 2.71410%). The bond was acquired for the purpose of financing projects and refinancing outstanding debt. The bond is guaranteed by North American Family Institute, Inc.

On June 21, 2007, NFI entered into a bond agreement with Deutsche Bank Trust Company Americas for \$2,600,000 at a variable interest rate (rate at June 30, 2015 was 0.07533%). At the same time, NFI entered into an interest rate swap agreement with TD Bank, N.A. to fix the interest rate at 4.320% for the 20 year life of the bond. The fair value of the instrument was a liability of \$141,109 as of June 30, 2015 and is included in other accrued expenses. This swap is considered a Level 2 input in accordance with the fair value hierarchy. The bond was acquired for the purpose of financing projects and paying off two existing mortgages totaling \$1,142,558. The bond is guaranteed by North American Family Institute, Inc. Bond issuance costs of \$88,099 are being amortized over the term of the bonds and are included net of amortization of \$62,060 in other assets in the accompanying consolidated statement of financial position.

On September 13, 2006, NFIV entered into a bond agreement with the Vermont Educational and Health Buildings Financing Agency for a tax-exempt offering of \$995,000 Series 2006A revenue bonds issued by the Developmental and Mental Health Acquisitions Pool with maturities beginning in 2010 and ending in 2024 with interest rates ranging between 3.75% and 4.70%. Bond issuance costs of \$101,223 are being amortized over the term of the bonds and are included net of amortization of \$57,359 in other assets in the accompanying consolidated statement of financial position.

On December 1, 2010, NAFICT entered into a bond agreement with the Connecticut Housing Finance Authority (CHFA) for \$354,211 at a fixed interest rate of 3.40%. The bond was acquired for the purpose of financing property and its renovation projects. The repayment also includes payments to the CHFA Repair and Replacement Reserve Fund for the purpose of funding capital repairs and replacements in excess of \$2,500 per occurrence. Bond issuance costs of \$7,374 are being amortized over the term of the bond and are included net of amortization of \$1,106 in other assets in the accompanying consolidated statement of financial position.

NAFI is required to maintain certain debt service coverage ratios. NAFI and its subsidiaries are in compliance with all of their debt covenants.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2015

Scheduled repayments of long-term debt are as follows:

	Amount due
Year ending June 30:	
2016	\$ 1,456,644
2017	1,546,089
2018	1,875,987
2019	1,079,963
2020	883,207
Thereafter	5,947,729
	\$ 12,789,619

Interest expense was \$544,074 for the year ended June 30, 2015.

(6) Operating Leases

NAFI leases certain property, motor vehicles, and equipment under noncancelable (except under certain circumstances) operating lease arrangements. Rental and lease expense amounted to \$2,153,749 for the year ended June 30, 2015. Future minimum lease payments as of June 30, 2015 are as follows:

	Amount due
Year ending June 30:	
2015	\$ 1,621,227
2016	1,340,658
2017	1,026,113
2018	959,872
2019	659,816
Thereafter	4,214,485
	\$ 9,822,171

(7) Retirement Plan

NAFI has a qualified defined contribution retirement plan for eligible employees to which annual contributions are made at the discretion of NAFI's board of directors. NAFI elected to make a contribution of \$344,675 for the year ended June 30, 2015.

**NORTH AMERICAN FAMILY INSTITUTE, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2015

(8) Contingencies

Through June 30, 2015, NAFI had received a total of \$6,623,939 in bonding grants from the State of Connecticut for improvements to five properties. With these grants NAFI is required to set up liens against the five properties and maintain its operations for 10 years in these locations. If NAFI is not in compliance with these and other restrictions, the State of Connecticut has the ability to request repayment of the funds on a percentage basis. NAFI is in compliance of all restrictions as of June 30, 2015. Revenue from these grants will be recognized over a 10 year period with the unrecognized portion of \$37,724 included in deferred revenue in the accompanying consolidated statement of financial position as of June 30, 2015.

(9) Collaborative Agreement

NFIV participates in a collaborative agreement with two unrelated organizations to operate the Centerpoint Adolescent Treatment Services program. The agreement among the three parties established the collaborative through June 30, 2010, with an option for renewal. The agreement contains a provision that states “nine months before the end of the agreement, discussions shall begin for negotiation of a continuation agreement.” As there was no agreement as of June 30, 2010, this agreement shall be considered to be continuing for successive one year periods unless otherwise agreed upon or unless the collaborative ceases to exist. There has been no decision to terminate the agreement and negotiations for renewal are currently ongoing. This agreement provides for cost and revenue sharing above certain pre-defined thresholds. Revenue generated from this collaborative for the year ended June 30, 2015 by NFIV was \$1,934,258, which was included in contract revenue in the consolidated statement of activities. Expenses incurred by NFIV for the collaborative were \$1,790,077 for the year ended June 30, 2015 and are included in program expenses in the consolidated statement of activities.

(10) Matching Funds

Pursuant to Federal Regulations, Title 42, Chapter 4, Part 433, Sections 433.50 and 433.51, revised October 1, 2008, NFIV received funds from state/local government sources for the year ended June 30, 2015 which provide a basis for state and local units of government to participate in financing the nonfederal portion of medical assistance expenditures. These funds exceed the matching funds minimum requirement amount of \$232,789, as determined by the State of Vermont Department of Mental Health.



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' 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*

The Board of Directors
North American Family Institute, Inc.:

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 American Family Institute, Inc. and subsidiaries (NAFI), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, 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 September 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered NAFI'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of NAFI's internal control. Accordingly, we do not express an opinion on the effectiveness of NAFI'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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NAFI'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 NAFI'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 NAFI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

September 30, 2015

**NFI NORTH, INC.
OFFICERS**

Title	Name	Address
President	Jan Arsenault Director of Graduate Program New England College	[REDACTED]
Treasurer	Heidi Edwards Dunn Educational Program Coordinator NH Small Business Administration	[REDACTED]
Clerk/Secretary	Doug Giles Retired Fire Fighter/Organic Farmer	[REDACTED]

BOARD OF DIRECTORS

Name	Occupation	Address
Doug Giles	Retired Fire Fighter/Organic Farmer	[REDACTED]
Sue Allen	Business Women/Consumer Representative	[REDACTED]
Suanne Nader	Educator and Immediate Past Board President, NFI North	[REDACTED]
Jan Arsenault	Director of Graduate Program New England College	[REDACTED]
Heidi Edwards Dunn	Educational Program Coordinator NH Small Business Administration	[REDACTED]
Lyn Healy	Educator	[REDACTED]
Laura Rauscher	Development Officer	[REDACTED]
Dellie Champagne	Events Coordinator/Teacher/Consumer Representative	[REDACTED]

Terms: Until successors are duly elected and qualified. NOTE: No compensation for Members or Directors As of: 10/6/15 Annual Meeting

Paul L. Dann, Ph. D.

[REDACTED]
[REDACTED]
RESUME
Jan. 1993- NFI North, Contoocook NH
present

Executive Director

Responsible for the overall management of this private non-profit corporation with a total annual budget of 13+ million dollars. Developed key programs and services to address the need of state mandated child protection, juvenile justice and mental health and educational agencies within the Northern New England area. Worked with Board of Directors, Agency Management and Business Staff to insure corporation's fiscal and programmatic excellence. Provided regular consultation and training to private and public human service organizations.

Sept. 1991- NORTH AMERICAN FAMILY INSTITUTE - Concord, NH
Jan. 1993

Director of Children and Family Services

Responsible for the overall management of children and family services for a large nationally based non-profit human service agency. Developed a cadre of programs serving New Hampshire, Maine and Northern Massachusetts. Directly responsible for oversight of agency supervisors, project development, contract negotiation, training and fiscal operations. Developed core management training for project directors, wrote Proposals resulting in the addition of new projects, developed new and innovative services in the area of wrap around, therapeutic foster care, home based services and residential treatment.

April 1980 - NORTHEASTERN FAMILY INSTITUTE - Danvers, MA
Sept. 1991

Agency Supervisor for Adolescent Services (3/87 - 9/91)

Promoted to this key management position. Responsible for program supervision, program development, and overall agency management functions including facility siting, community acceptance, facility licensing, fleet management, fiscal management and contract negotiations with various funding sources. Directly responsible for the operations of six projects representing a combined budget of \$3.4 million. Additional responsibilities include the provision of training and support for other agency projects.

Program Director - North Crossing (12/83 - 3/87)

Promoted to develop and manage a residential school emotionally Disturbed adolescents. This project included a staff of 15 and an annual budget of \$380,000. Developed this accredited school from the proposal stage to full operation. Provided training and support to other agency projects as well as the State of Vermont within the areas of program development and staff training. In February of 1985 promoted to supervise 2 additional projects with a staff of 10 and a \$325,000 budget.

Pre-Screener - Crisis Intervention Services (9/83 - 6/86)

Worked as part of a mobile crisis intervention team. Provided crisis intervention services throughout five communities on an open referral

basis. Worked with area services, police and community members to provide pre-screening for voluntary and involuntary psychiatric hospitalization, mental status exams, crisis management, referral and consultation. Provided community presentations on the topics of mental health and program services.

Program Director - Community Living Project and Adolescent Day Program (4/81 - 12/83)

Managed 2 mental health programs with combined staff of 10 and a budget of \$335,000. Designed, organized, staffed and supervised a treatment program that achieved a high client success rate. Obtained contract funding from an additional state agency and from the state of Vermont. Consulted to agencies in the states of Maryland and New Hampshire on the development and management of community-based treatment.

Caseworker - Foster Care Program (4/80 - 4/81)

Managed a caseload of adolescents committed to the Department of Youth Services. Provided ongoing counseling and advocacy within the courts and community. Developed a group activity component within the program.

April 1982- NORTH SHORE COMMUNITY MENTAL HEALTH CENTER
June 1983

Intensive Family Treatment Project-Professional Foster Parent
Served as a professional foster parent for youth participating in IFTP. Provided short-term planned and emergency placement for identified clients and siblings of clients. Participated in treatment sessions and treatment planning.

April 1979 - COMMUNITIES FOR PEOPLE SPECIALIZED FOSTER CARE
Sept. 1979

Caseworker
Managed a caseload of previously institutionalized adolescents. Provided ongoing counseling and advocacy work for clients and families. Recruited foster families, participated in public relations work and home studies.

January 1978 -MALDEN PUBLIC SCHOOLS ALTERNATIVE SCHOOL,
January 1979 LINCOLN ANNEX

Teachers Aid

Taught and worked with emotionally disturbed adolescents. Worked toward developing their academic and social skills. Developed behavior management plans. Planned class work. Provided individual tutoring and crisis intervention.

July 1976 - ROXBURY MUNICIPAL COURT, PROBATION DEPARTMENT
July 1977

Senior Clerk

Responsible for organizing court sessions, recalling warrants, performing

investigatory work and interviewing defendants. Additional responsibilities included maintaining a caseload of youthful offenders as well as preparing pre-sentence investigation reports.

EDUCATION

- | | |
|-------------|--|
| 2004 – 2008 | Ph.D. in Human and Organizational Development
Fielding Graduate University |
| 2004-2006 | M.A. in Human and Organizational Systems, Fielding Graduate University. |
| 1981 - 1983 | Earned 30 credits toward a Master of Education in Human Service Management, Boston University. |
| 1975 - 1979 | Bachelor of Science in Human Service with High Honors, Northeastern University, Dean's List 1975-1979. |

HONORS

Foster Parent Award, 1982
Consultant for an introductory text in Human Services
Nominated for Northeastern University Alumnus of the Year, 1981

OTHER RELATED EXPERIENCE

Leadership NH class of 2001
Board Member Havenwood Heritage Heights, Chair Planning Committee 2002, Vice President of the Board of Directors 2006, President Board of Director 2008-2011
Research Fellow, Institute for Social Innovation, Santa Barbara, CA 2010 to present
Board Member Maine Association of Mental Health Services 2001-present
Past President Hopkinton Independent School Board of Directors 1999-2009
Former Secretary Board of Managers Community Provider Network 1999-2003
Vice Chair Board of Managers Community Provider Network 2003-2006
Adjunct Faculty, New England College, Henniker NH. 1997-present
Former Massachusetts Licensed Social Worker - Lic. # 300178
Clinician, Northeastern Family Center, Melrose Ma. 1988-1989
Consultant, NECMHS, Amesbury, Ma. 1988-1990
Trainer, Community Programs Innovations 1986-1993
Counselor, Share Temporary Shelter, Lowell, Ma. 1978
Student Advisor, Northeastern University Peer Counseling Center 1977-1978
Counselor, Project Cope, Lynn, Ma. 1975-1977
Outreach Worker, Fenway Area Outreach Program, Boston, Ma. 1975-1976

TRAININGS WORKSHOPS AND PRESENTATIONS (partial list)

Effective Leadership
NAFI National Conference
November 2010

Engaging Culturally Diverse Students in the Classroom an On line
New England College Professional
Development Day
Summer 2010

Working Alliance within the Classroom
Contoocook School Summer 2008

Leadership Development Seminar
NFI Leadership Development Program
Spring/Summer 2008

Behavior Management
NFI North Core Training 2007

Meaning Making within Organizations
NFI North Leadership Professional
Development 2006

Reintegrative Services for Youth
DCYF annual Conference 2006

Difficult People and Conflict Management
DCYF Annual Conference 2006

The Role of Story Telling in Leadership

NAFI National Conference 2003

Culture Counts! A Look at the Power of Positive Culture within the Classroom
Southern NH University Howard Gardner
Conference 2003

Supervisory Training
NFI North Leadership Training 2003

Culture in the Classroom
Hopkinton Independent School Staff
Development Day 2003

**An Introduction to the Normative
Community Approach**
NFI North 2003

**Effective Leadership within the Normative
Approach**
NAFI Conference 2002

Effective Project Development
NAFI National Conference 2001

Leadership 2001
NAFI Conference 2001

Leadership 2000
NAFI Conference 2000

Communication Skills
NFI North Annual Conference 2000

**Management, Leadership and Supervisory
Skills Training**
NAFI National Conference 1999

Effectively Managing Organizational Change
DCYF Annual Conference 1998

COURSES TAUGHT

New England College Graduate and Continuing Studies

Masters in Health Care (all three credit courses)

- Structure of Social Problems
- Long Term Care
- Health Care Management

Masters in Community Mental Health Counseling (three to four credit courses)

- Mental Health Management
- Multicultural Issues in Mental Health Delivery
- Career Development and Counseling
- Research Methods
- Capstone Facilitation

KAREN E. CUSANO, M. Ed.

[REDACTED]

AREAS OF EXPERTISE:

- * Staff Training and Supervision
- * Knowledge of Multiple State Systems
- * Project Development and Start-Up
- * Community-Based Care
- * Administration and Management
- * Public Relations

PROFESSIONAL EXPERIENCE:

8/93 to Present

**ASSISTANT EXECUTIVE DIRECTOR:
NFI NORTH, INC.**

Assist the Director in the overall fiscal, programmatic, and clinical management of a non-profit human service corporation. Responsibilities involve all administrative functions and financial responsibility for the entire corporation. This includes routine communication with the Parent Corporation, multi-state authorities, and internal managerial staff.

4/89 to 8/93

**AGENCY SUPERVISOR EXPERIENCES:
NORTHEASTERN FAMILY INSTITUTE, INC.**

Responsible for the overall management and supervision of various adolescent programs within the agency. This includes the provision of training, staff orientation, clinical and administrative supervision and participation in all aspects of program development. Maintained regular on-call responsibility to several agency projects.

4/89 to 8/93

**PROGRAM DIRECTOR
NORTHEASTERN FAMILY INSTITUTE, INC.
INTERMISSION ADOLESCENT ASSESSMENT CENTER**

Responsible for the overall management of a D.S.S. funded, coed, secure, ninety-day diagnostic assessment center providing treatment and stabilization to nine emotionally disturbed adolescents. Responsibilities included: hiring, training, evaluating and supervising professional staff, design and implementation treatment approaches and behavior management systems. Facilitated all aspects of treatment component including treatment plans, linked families with community resources to facilitate reunification. Represent the agency through participation in the MA, State's Adolescent Network Initiative as well as developing and presenting training.

4/87 to 4/89

**PROGRAM DIRECTOR
NORTHEASTERN FAMILY INSTITUTE, INC.
SIX SEASONS RESIDENTIAL TREATMENT CENTER**

Responsible for the overall management and program start up of a long-term treatment program for six, high risk, adolescent males funded by the Department of Mental Health. Responsibilities included: hiring, training, on-call, evaluation and direct supervision of professional staff. Designed and implemented behavior management systems.

3/82 to 4/87

**ASSISTANT DIRECTOR/COUNSELOR/HOUSE PARENT
NORTHEASTERN FAMILY INSTITUTE, INC.
DIVERSION HOUSE**

Assisted the Director in the program operations of a DMH funded voluntary short-term crisis intervention program providing temporary respite of six, coed, high-risk adolescents. Designed and implemented the counseling component for direct care staff as well as the means of communication and cooperative services between the direct care and clinical staff. Responsible for all staff management decisions in addition to programmatic decisions concerning extreme behavioral problems. Regularly on-call for emergencies.

EDUCATIONAL BACKGROUND:

1991 to 1993

**CAMBRIDGE COLLEGE
CAMBRIDGE, MASSACHUSETTS**
Master of Education in Counseling Psychology

1986 to 1988

**UNIVERSITY OF MASSACHUSETTS
BOSTON, MASSACHUSETTS**
Psychology Major, Undergraduate Study

1984 TO 1986

**NORTH SHORE COMMUNITY COLLEGE
BEVERLY, MASSACHUSETTS**
Associate of Science in Human Services and Mental Health

MEMBERSHIPS:

**SECRETARY (former President for over five years)
NEW HAMPSHIRE PARTNERS IN SERVICE (NHPS)**
Non-profit association made up of multiple human service provider executives. NHPS works on NH legislative and policy-making initiatives

SPECIAL HONORS/AWARDS:

SPIRIT OF THE COMMUNITY AWARD
Given to individual who demonstrate high degree of energy and commitment to the betterment of the community at large.

FOSTER FURCOLO SCHOLARSHIP

Awarded full 2-year grant for outstanding academic achievement.

GTE SYLVANIA SCHOLARSHIP

Awarded a full semester grant for outstanding academic performance.

LINK AWARD

Presented due to outstanding volunteerism linking neighborhood communities with educational involvement and awareness.

ADDITIONAL WORK EXPERIENCE:

2002 to 2004

**Adjunct Professor
New England College – Dover Campus
Health Care/Human Services Courses
Graduate and Undergraduate Classes**

1984 To Present

**VOLUNTEER
COMMUNITY PROGRAM INNOVATIONS
DANVERS, MASSACHUSETTS**

Assisting with workshop preparation, registration and evaluation as well as supervising volunteers at the annual International Conferences dealing with multiple Human Service topics. This firm offers training and consultation to State and private social service agencies.

1986 to 1987

**ASSISTANT ACTIVITIES DIRECTOR
NEW ENGLAND HOME FOR THE DEAF
DANVERS, MASSACHUSETTS**

Planned and organized activities for senior citizens, participated in fund raising picnic, interpreted for deaf and deaf/blind seniors for Boston's Deaf Blind contact and National Conference at Galludet College.

1985 to 1986

**VOLUNTEER COUNSELOR
JUSTICE RESOURCE INSTITUTE
WESTBORO STATE HOSPITAL BUTLER CENTER**

DYS/DMH secure facility for violent/sexual offenders. Supervised 17 boys, ages 12-18, on the Activities of Daily Living skills, planned activities and supportive counseling.

1984 to 1985

**CONTRACTED SPECIAL
METROPOLITAN STATE HOSPITAL
GAEBLER CHILDREN'S UNIT**

In-patient care for children with severe psychiatric disturbances. Hired as a part-time special, supervised patients in need of one-on-one care due to self-injurious/destructive behaviors.

GABRIELA ITIGAN, MBA

Strategic, results-driven leader with proven ability to spearhead change, and conceptualize and execute innovative, sustainable initiatives.

PROFESSIONAL EXPERIENCE

CFO

Dec 2013 - Present

NFI North

Nonprofit Human Service Agency Specializing in Community-Based Care for Children, Youth, and Adults with Emotional and/or Behavioral Problems

Reporting directly to the Executive Director and a member of the Senior Leadership Team, responsible for all accounting, financial management, and business functions of the Agency. Responsible for planning, organizing, controlling, and developing the activities of the Finance Department of the Northeastern Family Institute, while ensuring that all financial records are accurate and reflect the financial goals and objectives of this non-profit agency. Responsible for the operation of the Business Office, and for establishing accounting systems and practices aimed to support and strengthen compliance and encourage transparency.

- Enhance and maintain all financial processes related, including cash flow/cost structure analysis, general ledger/variance analysis; supervision of accounts payable/receivable, flex budgets, Medicare and Medicaid cost reports and payroll.
- Oversee the preparation, administrations and monitoring of the Agency's budget.
- Assist program directors in budget development, monitoring and management, including maintenance of financial records and controls.
- Provide Executive Leadership with information to support compensation analysis; analyze the fiscal impact of proposed compensation changes and advise leadership on financially related issues in support of compensation decisions.
- Plan and coordinate financial research and analysis of various studies related to salaries, income and expenditures.
- Assume leadership role in formulating the Agency's policies and plans, advising Regional Directors and Program Directors of the financial, procedural and related implications of programs and proposed changes in rules, policies and procedures.
- Conduct long-range forecasting, advising Regional Leadership on related fiscal policies and strategies.

CONTROLLER

Feb 2013 – Dec 2013

COMMUNITY PARTNERS

Behavioral Health and Developmental Services of Strafford County

Responsible for the operation of the Business Office, and for establishing accounting systems and practices aimed to support and strengthen compliance and encourage transparency.

- Organized, implemented, directed and evaluated the company's accounting function and performance following generally accepted accounting principles (GAAP) and in accordance with practices appropriate for non-profit agencies.
- Oversaw all financial functions including accounting, budget, audit, credit, compliance, grant management.
- Prepared and finalized monthly and annual financial reporting materials and metrics for the Finance Committee and the Board of Directors
- Provided strategic financial input and leadership on decision making issues affecting the organization
- Evaluated and advised on the impact of long-range planning and the introduction of new programs/strategies
- Evaluated the performance of the 15 Business Office staff to provide for professional development and to maximize contributions to established goals

CONTROLLER

Feb 2005 - Nov 2012

NORTHERN ELASTOMERIC, INC.

Successful joint venture with Fortune 500 company, specializing in roofing and waterproofing products.

Directed the company's accounting functions including managing daily departmental operations, financial reporting and analysis, operational and cost accounting, cash management, bank reporting, budgeting and forecasting. Decisive leader to the accounting and finance staff, and active member of the strategic team.

- Automated and streamlined accounting processes and functions, improving operating efficiencies and decreasing monthly closings by 75%. Achieved an audit ready position at all times by improving the accounting department structure and ensuring the company's internal control processes were congruent with the quest for continual improvement of the efficiency and effectiveness of the department.
- In cooperation with the CFO of the company, secured a new loan agreement with a new banking partner, effectively reducing interest cost by over \$100K per year, and increasing the company's new debt ceiling, better positioning the company for taking advantage of future growth opportunities.
- Created cost cutting contingency plan, resulting in annual savings of \$635K.
- Assumed leadership role in transitioning from a standard cost system to an actual cost system.
- Coordinated the R&D tax credit study, resulting in a \$385K tax refund and reducing the company's effective tax rate.
- Improved budget models, providing "what if" functionality and simplified the preparation of annual operating and capital budgets. Created flex budget, increasing management's visibility to the outcome of various scenarios.

- Analyzed gross margins for products and prepared reports about financial performance in addition to documenting and responding to management regarding manufacturing expenses, trends, and deviations from budget.
- Reviewed working capital/cash flow requirements on a regular basis, initiating appropriate strategies to enhance cash position.
- Lead the year-end audit process.
- Prepared annual budgets, forecast updates, and performed monthly business reviews.
- Managed monthly, quarterly and annual closings as well as preparation of related financial statements and key financial performance metrics.
- As member of the strategic team, developed policies, procedures, and controls to facilitate company objective achievement.
- Served as mentor and coach to the finance staff, aligning departmental and individual objectives to the strategic and tactical goals indentified in the balanced scorecard.
- Conducted routine meetings with employees emphasizing any changes and future course of actions to address those changes and provide guidance on any issue. In charge of all training associated with the transition to actual cost.
- Gave monthly presentation of operations and financial results to executive and upper management.
- Maintained periodic communication with lending institution, preparing and submitting the Borrowing Base Certificate in a timely fashion and representing the company during outside bank audits.
- Collaborated on HR special projects and provide assistance to HR as necessary. Served as HR Manager's back-up.
- Oversaw the company's IT functions.
- Highly developed diplomatic and communication skills, tested in negotiations concerning revamping the organization's benefit package.
- Served as interim CFO.

CONTROLLER

April 2001-Oct 2004

SPAULDING COMPOSITES CO.

Manufacturer of thermo set composite materials and components, serving a variety of markets including heavy equipment, air tools, and cryogenics.

Responsible for all phases of the day to day corporate accounting and HR operations, including A/R, A/P, invoicing, G/L, payroll, benefits, and the consolidation of the financial information from multiple plants.

- Produced profit and loss statements, quarterly forecast, balance sheet and month end critique.
- Researched and analyzed income statement and balance sheet variances and interpreted accounting information to appraise operating results in terms of profitability, performance against budget, productivity, and other matters bearing on the fiscal soundness and operating effectiveness of the organization. Analyzed plant operating costs, and other reports to assist operations management in controlling actual plant performance.

- Managed the day-to-day banking relationships and reporting requirements to enable decision making at various levels of the organization.
- Managed a staff of six accounting professionals, exercising the usual authority of a department head concerning staffing, training, performance appraisals, promotions and salary recommendations.
- Managed the Human Resources department of this 170 employees company, providing the HR Generalist with direction, ensuring the company policy is in adherence to the current labor legislation, and staying abreast of recent developments in employment law.
- Supported the organization's ad-hoc financial needs, presenting independent analysis of operations, trends, and variances to senior management and recommending corrective or exploitative actions.

ACCOUNTANT
CHAUVIN ARNOUX INC.

April 1995 – Dec 2000

Manufacturer of professional electrical test and measurement instruments for the industrial, commercial and utility marketplace

Responsible for maintaining the accuracy and integrity of the following corporate systems: Standard Costing, G/L, A/P, A/R.

- Coordinated the month-end closing cycle, including generating and posting necessary month end journal entries, performing balance sheet accounts reconciliation, conducting account and fluctuation analysis, analyzing cost and manufacturing variances and reporting monthly results to management.
- Compared actual expenses to budget and investigated variances. Summarized monthly financial results and reported to upper management.
- Responsible for all currency exchange transactions, as well as the inter-company reconciliations with French parent company.
- Instrumental in the implementation of Fourth Shift, including the installation and set-up of all modules required by accounting, the development of procedures to be used by this new system, and the training of staff on the system
- Developed and monitored standard costs. Reviewed costs for labor, material and overhead to establish and periodically update standard costs to ensure they were current and accurately reflected manufacturing costs.

EDUCATION

Southern NH University, Portsmouth, NH
 Global MBA with a Graduate Certificate in Finance

New England College, Henniker, NH
 Bachelor of Arts in Accounting
 Graduated Cum Laude

Continuing Education: Sheehan Phinney's 20th Annual Employment Law Review and Update –May 22, 2009.

Granite State Human Resources Conference – May 2009

Affiliations: Fiduciary Liability Seminar – Devine, Millimet – March 2008
2007 Granite State HR Conference
19th Annual Employment Law Review & Update – 2007
Member of the Southern NH University Gamma Nu Chapter of
Delta Mu Delta Honor Society

JANICE A. WILLIAMSON

HIGHLIGHTS OF QUALIFICATIONS:

- 30 years of experience with non-profit organizations, the last 25 in management and program administration.
- B.A. in Sociology backed by professional development courses in human services and management.
- Graduate of U.S. Army Command and General Staff College.
- Strong track record in developing and implementing training and support programs.
- Experienced in budget development/administration and grant writing.
- Accustomed to representing agency/participant interests through public speaking and personal representation.
- Extensive experience in developing Individual Service Plans vocational curriculums.
- Extensive experience in developing Individual Educational Plans and alternate school curriculums.
- Extensive experience with administrative functions, including supervision of staff, hiring, terminations, staff development and evaluation.
- Skillful in developing and managing contracts.
- Adept at interpreting and ensuring program compliance with state and federal regulations.
- Adept at interpreting Special Education regulations and managing alternate special education schools.
- Strong leadership qualities and proven willingness to accept responsibilities demonstrated throughout civilian and military careers.
- High level of self-initiative and resourcefulness in achieving managerial objectives.
- Adept at implementing and maintaining the Mental Illness Management Services (MIMS).

EXPERIENCE AND ACCOMPLISHMENTS:

1998 to Present **NFI NORTH, INC.**

Regional Director

Responsible for overseeing the operations of all programs in my region. Provide leadership, supervision, guidance and clinical support. Responsible for communicating all policies and procedures, contract negotiations and development, fiscal planning and on-call availability.

1994 to 1998 **NFI NORTH, INC.**

Program Director, North Country Shelter, Jefferson, NH

Responsible for total operations of co-ed program for 15 NH court ordered youth and over twenty five full-time staff. This included placement, counseling, treatment, special education, and all HR functions.

1993 to 1994 **NORTHERN NH DEVELOPMENTAL SERVICES & MENTAL HEALTH,**
Wolfeboro, NH

Residential Coordinator of lower Carroll County located at the Carroll County Mental Health Center. Coordinate and implement all residential programs for individuals with a mental illness. Responsible for all ISO/Enhance family care residential programs. Responsible for all compliance with state and federal regulations.

1983 to **COMMUNITY SERVICES COUNCIL OF MERRIMACK COUNTY, Concord, NH**

1992 Program Administrator of the Traumatic Brain Injury Residential Program and the Vocational Training Program, both located at Franklin Falls Farm - 1989 to May 1992

Direct all aspects of rehabilitative services for brain-injured adults and progressive vocational programming for the developmentally disabled. Oversee two program managers and a staff of 18 residential and vocational trainers providing services for a caseload of 30. Administer a \$500,000 annual budget.

- Developed a profitable small business program as a vocational training tool for the developmentally disabled.
- Established highly successful, non-traditional alternative vocational programs for those in need of more comprehensive therapeutic programming.
- Planned/supervised programming and staff involved in developing and delivering three separate vocational training programs for the developmentally disabled and mentally ill throughout central New Hampshire.
- Directly involved in agency's receipt of \$200,000 "Mobility Grant" for developing the TBI program.
- Established strong relations with other TBI programs nationwide.
- Introduced the area's first vocational training program for the developmentally disabled by establishing a day program at a local church hall.
- Formulated and implemented all program models and management systems on which the Franklin Falls Farm program was developed.
- Implemented and coordinated services with outside therapists (speech, occupational, physical and behavioral).
- Supervised all job coaches and trainers.

1980 to 1983 **LACONIA STATE SCHOOL AND TRAINING CENTER, Laconia, NH**
Recreational Therapist

TEACHING EXPERIENCE

1978 to SAU #4, New Hampshire
 1979 Substitute Teacher for Middle-Secondary School

1977 to HOLBROOK SCHOOL, Holbrook, MA
 1978 Substitute Teacher for Middle-Secondary School.

MILITARY EXPERIENCE:

1978 to **UNITED STATES ARMY NATIONAL GUARD, Concord, NH**
 1998 Demonstrated strong leadership and management abilities resulting in career progress from the rank of Private to current rank of Lt. Colonel. Served as the Deputy Director of Personnel overseeing a staff of 20 at the Starc level. One of New Hampshire's first two female soldiers to graduate from Officer Candidate School. 1988 recipient of the NH Army Commendation Medal for Outstanding Service. 1986 recipient of the Army Commendation Medal for Meritorious Achievement. NH's 1985 Junior Officer of the Year. 1993 recipient of the Meritorious Service Medal for Exceptional Meritorious Service.

EDUCATION: North Adams State College, North Adams, MA. B.A. in Sociology.

PROFESSIONAL DEVELOPMENT:

1984 to Present Completion of many staff development workshops and seminars related to direct care and management within human services.

1995 Facilitator/Trainer of Moderate Level Challenge Course.

1989 to 1993 U.S. ARMY GENERAL COMMAND AND STAFF COLLEGE, Londonderry, NH
 Officers training in management, administration, counseling and executive responsibilities.

- 1987 U.S. ARMY INSTITUTE FOR PROFESSIONAL DEVELOPMENT, Newport News, VA
Advanced Management, leadership and administration.
- 1981 U.S. ARMY, Aberdeen, MD - Officer Basic Course.

Elizabeth Meadow, M.D., Ph.D.
NFI North/Transitional Housing
99 Pleasant Street
Concord, NH 03301

PROFESSIONAL EXPERIENCE

- 2012 – Present – NFI North/Transitional Housing, Concord, New Hampshire
Medical Director
- 1989 – 2012 – Dartmouth Medical School, Hanover, New Hampshire
Assistant Professor of Clinical Psychiatry
- 1987 – 2012 – New Hampshire Hospital, Concord, New Hampshire
Senior Psychiatrist
- 1998 - 2002 – Secure Psychiatric Unit, Department of Corrections, Concord, New Hampshire
Psychiatric Consultant
- 1989-1996 – Concord Hospital, Concord, New Hampshire
Psychiatric Consultant
- 1986-1987 – Lake Side Hospital, Manchester, New Hampshire
Staff Psychiatrist
- 1986- Greater Manchester Mental Health Center, Manchester, New Hampshire
Staff Psychiatrist
- 1983- 1986 – Park Nicollet Medical Center, Minneapolis, Minnesota
Staff Psychiatrist
- 1982- 1983 – Veterans Administration Medical Center, Minneapolis, Minnesota
Staff Psychiatrist
- 1982- 1985 – University of Minnesota Medical School, Minneapolis, Minnesota
Clinical Instructor, Department of Psychiatry (1983-1986)
Assistant Professor, Department of Psychiatry (1982-1983)
- 1980-1981 – New Hampshire Hospital, Concord, New Hampshire
Consultant in Psychiatry
- 1972-1974 – Montefiore Medical Center, New York, New York
Assistant Attending Psychologist

Elizabeth Meadow, M.D., Ph.D.

(page two)

1969- 1970 – Veterans Administration Hospital, New York, New York
Research Assistant

EDUCATION

1980- 1982 – Institute of Living, Hartford, Connecticut
Resident on Psychiatry

1978-1980 – Dartmouth- Hitchcock Medical Center, Hanover, New Hampshire
Residency in Psychiatry

1978 – Dartmouth Medical School, Hanover, New Hampshire
M.D. with honors

1977- New York University, New York, New York
Ph.D. in Clinical Psychiatry

1973- New York University, New York, New York
M.A. in Clinical Psychology

1967- Radcliffe College (Harvard University), Cambridge, Massachusetts
B.A. with honors

AWARDS AND HONORS

1978- American Medical Women's Association for Academic Excellence

1968- 197 - National Institute of Mental Health Fellow

CERTIFICATION

1985 – American Board of Psychiatry and Neurology

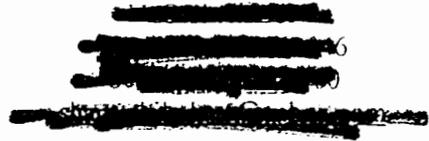
LICENSES

New Hampshire – Number 6299

Minnesota- Number 027293 5- Expired

Connecticut- Number 22534 Expired

Sharon L. Bilodeau



An administrator with an established record of responsible decision making in all phases of project and program management. Highly skilled in all aspects of non-profit management. Worked effectively with employees at all levels, strong work ethic, hard working and dependable. Worked with diverse population of people including ages 6 months to elders and a variety of challenges, ensuring an optimal quality of care.

Areas of Expertise

Budget Administration Customer Service Training and Development
Program and Project Management Staff Recruitment Licensing and Regulatory
Assessment and Service Planning

Qualifications

- Exceptional skill in personnel supervision and training program coordination
- Effective in budgeting and long-range planning
- Outstanding ability to work with community, governmental and professional groups
- Proficient in prioritizing, organization, delegating and motivating
- Extensive experience in developing programs from concept to ongoing operation
- Excellent computer skills
- Excellent oral and written communication

Relevant Experience and Skills

Management and Administration

- Supervised the daily operation of several programs with a total of 75+ people, staffing, and training to ensure goals are being met
- Assisted in preparation and administration from \$500,000 to \$2 million annual operating budgets maintaining all budget targets
- Designed and implemented Database to assist in tracking clients, service delivery, to ensure client satisfaction and on-time daily product delivery
- Analyzed statistical data and compiled weekly, monthly and annual projection reports, used data to improve organizational performance and lower costs
- Ensuring monthly supervision and meetings provided to all employees to ensure proper communication at all levels

Organizing and Coordinating

- Initiated itemized bidding specification process; evaluated bids and presented recommendations and lower overall costs
- Managed various complex site relocations assuring close out of old sites and the re-establishment of all new systems in the new sites
- Coordinated and developed in-service training programs to improve customer service and keeping staff updated on all policies

- Created time lines to complete special projects
- Marketing and Public Relations**
- Developed ideas for creating new projects, prioritized work and implemented follow-up procedures resulting in more efficient and profitable work flow
 - Conducted cold calling campaign, acquiring new work areas for young entrepreneurs increasing new accounts by 5 % in the first 30 days

Employment History

Program Director	2012-Present
Business Development Coordinator Resident Care Pharmacy, Methuen, MA	2010-2012
Owner/Operator Sharon's Cleaning Methuen, MA	2010-2012
Mental Health Case Manager ESMV, Lawrence, MA	2009-2010
Child Care Provider Koryn's Kiddies, Guildhall, VT	2008-2009
Director Safe Haven, Lancaster, NH	2008-2009
Child Support Services and Special Project Manager GLCAC Inc., Head Start, Lawrence, MA	2003-2008
Program Manager Greater Lawrence Mental Health Center, Lawrence, MA	2000-2002
Project Manager NFI, Danvers, MA	1997-2000
Assessment Social Worker Massachusetts Department of Social Services, Haverhill, MA	1996-1997
Program Director and Consultant NFI Midway and North Country Shelters	1991-1996
Education	
SPRINGFIELD COLLEGE, Springfield, MA	1996
Master of Science-Human Service Administration	
UNIVERSITY OF LOWELL, Lowell, MA	1986
B.S. Public Service-Administration of Criminal Justice	

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jan Williamson	Regional Director	85,000	50%	\$42,500
Sharon Bilodeau	Program Director THS Concord	69,360	100%	69,360
TBD	Program Director THS Bethlehem	50,000	100%	50,000



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

Nicholas A. Toumpas
 Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-9422 1-800-852-3345 Ext. 9422
 Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Kathleen A. Dunn
 Associate Commissioner

November 24, 2015

G&C Approved

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

Date 12/16/15
 Item # 13

REQUESTED ACTION

Authorize the Department of Health and Human Services, Bureau of Behavioral Health, to enter into an Agreement with NFI North, Inc., 40 Park Lane, Contoocook, New Hampshire 03229, (Vendor Number 177575-B001) to operate the transitional housing program on the New Hampshire Hospital campus, in an amount not to exceed \$7,236,000, effective January 1, 2016 through June 30, 2017, upon the date of Governor and Executive Council approval. 49.75% Federal Funds, 49.75% General Funds, and .50% Other Funds.

Funds are available in the following accounts in State Fiscal Years 2016 and 2017 with authority to adjust amounts between State Fiscal Years if needed and justified, without Governor and Executive Council approval.

05-095-047-470010-79480000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SVSC, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID CARE

State Fiscal Year	Class / Account	Class Title	Current Modified Budget
2016	101-500729	Payments to Providers	\$2,400,000
2017	101-500729	Payments to Providers	\$4,800,000
		Sub-total	\$7,200,000

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

State Fiscal Year	Class / Account	Class Title	Amount
2016	102-500731	Contracts for Program Svcs	\$12,000
2017	102-500731	Contracts for Program Svcs	\$24,000
		Sub-total	\$36,000
		Grand Total	\$7,236,000

EXPLANATION

This Agreement will allow the Contractor to provide the transitional housing program services for up to 47 mental health consumers that have been referred from the New Hampshire Hospital that are no longer in need of acute psychiatric hospitalization. The Contractor will operate transitional housing program services on the campus of the Governor Hugh J. Gallen State Office Park in Concord that includes a forty (40) bed housing and restorative partial hospitalization treatment program. The Contractor will provide an additional seven (7) bed residence, in Bethlehem. The Contractor will also operate the recycling program on the Governor Hugh J. Gallen State Office Park through the evidenced based employment program that is part of the transitional housing program services.

The Contractor will provide transitional housing program services to mental health consumers by providing extensive support and rehabilitation before they move back to their community of origin. Return to the community of origin may be impeded by the individual's need for greater self-direction of daily living, by behavioral problems that appear to be unmanageable in other community programs, and possible legal constraints. They also lack the financial resources and the support network to obtain housing. Transitional Housing Program Services may provide consumers, when required, daily one to one supervision for their safety, care and the safety of others. The Transitional Housing Program Services offers a level of housing and rehabilitation services not available in other community settings.

The Department published a Request for Proposals the Transitional Housing Program Services RFP #16-DHHS-DCBCS-BBH-RFA-02 on the Department of Health and Humans Services website September 3, 2015 to October 13, 2015. The Department received one application. The application was reviewed and scored by team of individuals with program specific knowledge. NFI North, Inc. was selected for contract. (See attached Summary Score Sheet).

The Contract contains language that Department reserves the right to renew the contract for up to three (3) additional years, subject to the continued availability of funds, satisfactory performance of contracted services and Governor and Executive Council approval.

Should the Governor and Executive Council not approve this request, the Department would have no entity and no staff to operate the transitional housing program as of January 1, 2016. The clients currently in the program could not simply be moved back into the community or transferred to New Hampshire Hospital Acute Psychiatric Services' facility, which is near capacity.

Area to be served: Statewide.

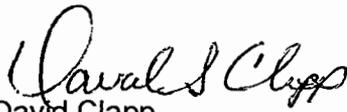
Source of Funds: 49.75% Federal Funds from United States Department of Health and Human Services, Centers for Medicare and Medicaid, Catalog of Domestic Assistance (CFDA) #93.778 49.75% General Funds and .50% Other Funds (from the Recycling Program).

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

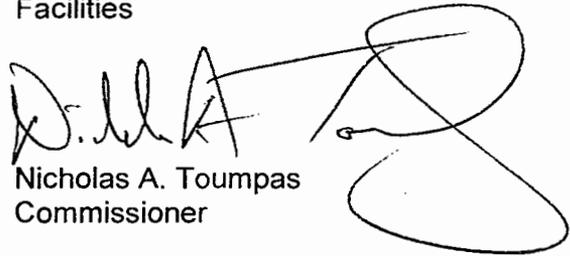
Respectfully submitted,


 Kathleen A. Dunn, MPH
Associate Commissioner

Respectfully submitted,


David Clapp
Facilities

Approved by:


Nicholas A. Toumpas
Commissioner



New Hampshire Department of Health and Human Services
 Office of Business Operations
 Contracts & Procurement Unit
 Summary Scoring Sheet

Transitional Housing Program Services

(RFA) # 16-DHHS-DCBCS-BBH-RFA-02

RFA Name

RFA Number

Reviewer Names

Bidder Name

1. NFI North, Inc.
- 2.
- 3.
- 4.
- 5.

Maximum Points	Actual Points
375	330
375	0
375	0
375	0
375	0

1. Stacy Calabro, NHH Administrator IV, technical team
2. Julie Lane, BHHS Program Specialist III, tech
3. Chip Maitals, BBH Prog Planning & Review Specialist, tech
4. P.J. Nadeau, DHHS Administrator III, cost team
5. Jim Dall, DHHS Direct Program Support, cost
6. Peter Reid, BBH Administrator II, cost

Subject: Transitional Housing Program Services

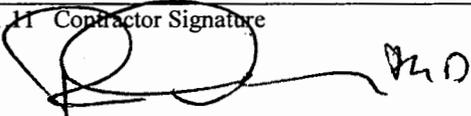
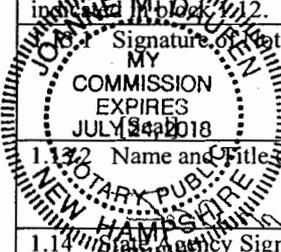
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name NFI North, Inc.		1.4 Contractor Address 40 Park Lane Contoocook, NH 03229	
1.5 Contractor Phone Number 603-746-7550	1.6 Account Number 05-095-092-920010-5945000-102-500731; 05-095-047-470010-79480000-101-500729	1.7 Completion Date June 30, 2017	1.8 Price Limitation \$7,236,000.
1.9 Contracting Officer for State Agency Eric Borrin, Director Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory PAUL L. DANN EXECUTIVE DIRECTOR	
1.13 Acknowledgement: State of <u>New Hampshire</u> County of <u>Merrimack</u> On <u>11/24/15</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.			
1.14 Signature of Notary Public or Justice of the Peace  Signature: <u>Joanne M. Saufen</u>			
1.15 Name and Title of Notary or Justice of the Peace <u>Joanne M. Saufen</u> Office Manager			
1.14 State Agency Signature <u>Marilee Nihan</u> Date: <u>11/30/15</u>		1.15 Name and Title of State Agency Signatory <u>Marilee Nihan</u> Deputy Commissioner	
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: <u>[Signature]</u> <u>Megan A. Apple</u> Attorney On: <u>12/1/15</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.

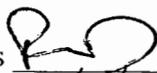
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

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

Contractor Initials 
Date 11/24/15

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.

RD

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. The Contractor will operate Transitional Housing Program Services by providing housing and rehabilitative services for up to 47 adults that includes
 - 1.3.1. A forty (40) bed Transitional Housing and a restorative partial hospitalization treatment program on the grounds of Hugh Gallen Office Park Campus in Concord, New Hampshire; and
 - 1.3.2. A seven (7) bed Transitional Housing program located in Bethlehem, New Hampshire.
- 1.4. The Contractor shall provide housing and rehabilitative services as defined in this Agreement.
- 1.5. The Contractor shall maintain a valid and current license with the Department to operate the Transitional Housing Program Services.
- 1.6. The Contractor shall operate the Transitional Housing Program Services in accordance New Hampshire Administrative Rule HeP-814.
- 1.7. The Contractor agrees to be an enrolled provider through the Department's Medicaid Program.
- 1.8. The Contractor agrees to enroll with the Department's Managed Care contractors, as the Department moves forward with the phasing in long-term care programs, such as Transitional Housing Program Services, into the Department's Managed Care program.

2. Scope of Services - Transitional Housing Program Services

2.1. Community Residential Services

- 2.1.1. The Contractor shall provide community residential services as defined in New Hampshire Administrative Rule He-M 1002, which at a minimum include assistance and instruction to improve and maintain a consumer's skills in basic



Exhibit A

daily living, personal development, and community activities such as, but not limited to, the following therapeutic behavioral services:

- 2.1.1.1. Personal decision making;
- 2.1.1.2. Personal care, household management, budgeting, shopping, and other functional skills;
- 2.1.1.3. Household chores and responsibilities;
- 2.1.1.4. Having relationships with persons both with and without disabilities;
- 2.1.1.5. Accessing a wide range of integrated community activities including recreational, cultural, and other opportunities;
- 2.1.1.6. Participating in religious services and practices of the consumer's choosing; and
- 2.1.1.7. Choosing and wearing clothing that is neat, clean, in good repair, and appropriate to the season and activity.

2.2. Consumer Service Plans

- 2.2.1. The Contractor shall complete individual service plans for consumers in accordance with New Hampshire Administrative rules He-M 401 and He-M 408.

2.3. Illness Management and Recovery Services

- 2.3.1. The Contractor shall provide evidenced based Illness Management and Recovery Services on an individual and group basis in accordance with He-M 426 that shall teach strategies for:

- 2.3.1.1. Recovery Strategies;
- 2.3.1.2. Practical facts about mental illness;
- 2.3.1.3. The stress-vulnerability model and treatment strategies;
- 2.3.1.4. Building social supports;
- 2.3.1.5. Reducing relapses;
- 2.3.1.6. Using medication effectively;
- 2.3.1.7. Coping with stress;
- 2.3.1.8. Coping with problems and symptoms;
- 2.3.1.9. Getting your needs met in the mental health system; and
- 2.3.1.10. Assessing for Drug and Alcohol use.

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2.4. Psychotherapeutic Services

2.4.1. The Contractor shall provide individual and group psychotherapy services in accordance with He-M 426, including sex offender treatment.

2.5. Partial Hospitalization Services

2.5.1. The Contractor shall provide Partial Hospitalization Services (PHS) in accordance with He-M 426 that consists of restorative partial hospitalization (RPH) services. Partial Hospitalization services shall be delivered based on Illness Management and Recovery strategies as defined in Section 2.3.

2.6. Targeted Case Management Services

2.6.1. The Contractor will provide Targeted Case Management (TCM) in accordance with He-M 426 to ensure continuity of care by assisting consumers to gain access to needed medical, social, educational, and other services on a one-to-one basis to help them transition back to home and community.

2.6.2. This Contractor will assist consumers with and assure that consumers' applications for all appropriate sources of financial, medical, and housing assistance, including but not limited to, Medicaid, Medicare, Social Security Disability Income, Public Housing, and Section 8 subsidies are filed in a timely fashion.

2.7. Adult Needs and Strengths Assessment (ANSA)

2.7.1. The Contractor shall complete the Adult Needs and Strengths Assessment (ANSA) for each consumer, upon admission to the program, then 90 days as part of the individual service plan review, then every 6 months and yearly from the date of the initial assessment. The Contractor will enter the data from the ANSA into the Department's data collection system within five days of completing the assessment.

2.8. Evidenced Based Supported Employment Services

2.8.1. The Contractor shall provide Evidence Based Supported Employment Services in accordance with New Hampshire Administrative Rule He-M 426 to the consumers who ask to seek competitive employment. The Contractor may offer the consumers' employment to staff the recycling program (See Section 5 below).

2.9. Psychiatric Services

2.9.1. The Contractor shall provide Psychiatric Evaluation and Management Services in accordance with New Hampshire Administrative Rule He-M 426 by a qualified psychiatrist, Advanced Practice Registered Nurse (APRN) or Physician's Assistant (PA), for the purposes of assessment and treatment of consumers in the program.

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2.10. Medical Services

2.10.1. The Contractor will provide registered Nurses on site for medical services Monday through Friday during the hours of 8:00 am to 10:00 pm and on Saturdays and Sundays during 8:00 am to 4:30 pm.

2.10.2. The Contractor will provide medical services such as, but not limited to:

2.10.2.1. Annual review of health history, health status, supports identified or needed to maintain physical, mental, and social well-being;

2.10.2.2. Instruction in and assistance with in taking prescribed medications independently, in accordance with Exhibit K, Administration of Medications in the Transitional Housing Program; and

2.10.2.3. Residential staff is trained by the Nurse Trainer to provide this service in accordance with Exhibit K Administration of Medications in the Transitional Housing Program.

2.11. Emergency Services

2.11.1. The Contractor will provide twenty four (24) hours per day emergency services for both medical and psychiatric needs as follows:

2.11.1.1. A clinician who will be on call evenings, weekends and holidays to provide crisis intervention, coordinate Involuntary Emergency Admission petitions in accordance with Revised Statutes Annotated (RSA)135-C:28 Emergency Treatment and revocation of conditional discharges in accordance with RSA 135-C:51, III)when required.

2.11.1.2. A Registered Nurse who will be available or on-call to provide education, problem solving and support regarding medications and to respond to health related concerns.

2.11.1.3. There is a nurse available on-call the remainder of each day, weekends and holidays to provide education, problem solving and support regarding medications and to respond to health related concerns.

2.12. Specialized Treatment

2.12.1. The Contractor shall provide directly or subcontract for specialized treatments such as sex offender services and/or Risk Assessment evaluations for consumers who have co-occurring disorders, sex offender treatment, or court mandated treatments.

2.13. Wellness Management

2.13.1. The Contractor shall provide consumers with access to services and activities such as but not limited to the "Healthy Choices-Healthy Changes" designed to improve physical health, and smoking cessation programs.

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3. Scope of Work – Program Requirements

- 3.1. Consumer Referrals and Admissions to the Transitional Housing Program Services
- 3.1.1. The Contractor will accept consumer referrals from the New Hampshire Hospital (NHH) and the Community Mental Health Centers (when approved by the Department). The Contractor will prioritize consumers referred by New Hampshire Hospital by having a referral, admissions, and evaluation process that:
- 3.1.1.1. Places current inpatient individuals at New Hampshire Hospital ahead of any and all community based referrals
 - 3.1.1.2. Provides for a written referral protocol that includes a review / evaluation of the individuals' current situation, assessment of need and disposition.
 - 3.1.1.3. Responds to all referrals, in writing, as to the consumer's disposition, (acceptance or denial) into the Transitional Housing Program Services. If there are contingencies placed on the acceptance or if the referral is denied, the Contractor will provide, in writing, an explanation of contingents or reason for denial to the consumer.
 - 3.1.1.4. Responds to the consumer, with a decision in writing, within 14 business days of receipt.
 - 3.1.1.5. Establishes an admission process to ensure the successful entry of accepted referrals into the program. In the event that a referral is not successful in the transition process, the Contractor will communicate with NHH or the agency that initiated the referral, verbally and in writing, as to the reason(s) for the unsuccessful transition.
 - 3.1.1.6. Has approval by the Department for all consumers being referred by the Community.
- 3.2. Consumer Discharges from the Transitional Housing Program Services
- 3.2.1. The Contractor will have a discharge process for consumers that are discharged from the Transitional Housing Program Services that:
- 3.2.1.1. Ensures participation in discharge planning meetings with community mental health centers, New Hampshire Hospital, and other providers.
 - 3.2.1.2. Provides for a written discharge plan that includes an evaluation of the consumers' current situation, disposition and transition plan for moving back in to the community.
 - 3.2.1.3. Retains the individual's bed, in the event that an individual's conditional discharge is revoked, resulting in a temporary readmission to NHH.



- 3.2.1.4. Demonstrates development and implementation of a collaborative relationship with the community mental health program to develop the terms of conditional discharges pursuant to RSA 135-C:50 and He-M 609, and to develop treatment plans designed to return each consumer to the community.
 - 3.2.1.4.1. The Contractor shall provide the Department within thirty (30) days from the contract effective date documentation for Section 3.2.1.4.
- 3.3. Pre-Admission Screening and Annual Resident Review
 - 3.3.1. The Contractor shall assist the Pre-Admission Screening and Annual Resident Review (PASARR) Office of the Department in meeting the requirements of the PASARR provisions of the Omnibus Budget Reconciliation Act of 1987. Upon request by the PASARR office and with the appropriate authorization to release information, the Contractor shall provide the PASARR office with the information necessary to determine the existence of mental illness or mental retardation in a nursing facility applicant or resident and shall conduct evaluations and examinations needed to provide the data to determine if a person being screened or reviewed requires nursing facility care and has active treatment needs.
- 3.4. Complaint Manager Services
 - 3.4.1. The Contractor will designate a staff member to perform the responsibilities of complaint manager in accordance with New Hampshire Administrative Rule He-M 204.
- 3.5. Transition Planning for Consumers into the Community
 - 3.5.1. The Contractor shall submit a transitional plan to the Department for approval within thirty (30) days from the effective date of the contract, to transition consumers back into the community. The transitional plan shall include at a minimum the following:
 - 3.5.1.1. Moving existing program participants into more integrated community settings and where possible;
 - 3.5.1.2. Develop with the individual, a person-centered plan that incorporates their needs, and safety of themselves and the public per New Hampshire Administrative Rule He-M 401;
 - 3.5.1.3. Collaborate at a minimum with the consumer's local community mental health program and peer support agencies to provide other services and supports in the community;
 - 3.5.1.4. Involve the individual's family to support integration into the community, with the individual's consent; and



Exhibit A

- 3.5.1.5. Identify any barriers to placement in the community, and emphasize the interventions necessary to promote more opportunities for community integration.
- 3.6. Recovery and Resiliency Approaches
 - 3.6.1. The Contractor shall provide individuals access to services that will promote the values of recovery and resiliency through an emphasis on a strength-based approach and person-centered service planning, in accordance with He-M 401.
 - 3.6.2. The Contractor will use the service plan (as defined in Section 2.2 above) to help individuals identify, cultivate and sustain relationships with peers, family members, neighbors, landlords, employers, and others to create a network of support that will build resiliency and strength based recovery and wellness skills.
- 3.7. Access to Primary Care Doctors
 - 3.7.1. The Contractor shall secure a local primary care physician (PCP), within thirty (30) days from the effective date of the contract, for all of the Transitional Housing Program Services residents, and will coordinate the residents care with the PCP. The Contractor will exchange health information at regular intervals with the written consent of the individual or guardian.
- 3.8. Coordinate Care with the Legal System
 - 3.8.1. The Contractor will assess the legal commitment status of individual residing in the program and if deemed appropriate, provide for the continuation of the commitment via the proper legal process.
 - 3.8.2. Contractor will provide coordination of care with the legal system when indicated, including the NH Department of Corrections, and the NH Attorney General's Office.
- 3.9. Program Standards
 - 3.9.1. The Contractor will comply with all state and federal laws and regulations pertaining to the licensure and operation of a community residential program.
 - 3.9.2. The Contractor must be in compliance with applicable federal and state laws, rules and regulations, and applicable policies and procedures adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.
- 3.10. Quality Assurance
 - 3.10.1. The Contractor will perform, or cooperate in the performance of, such quality improvement and/or utilization review activities as are determined to be necessary and appropriate by the Department, within timeframes specified by the Department, in order to insure the efficient and effective administration of the Medicaid program.



3.10.2. The Contractor will maintain detailed consumer records as required by New Hampshire Administrative Rule He-M 408. In the event that a Transitional Housing Program Services consumer becomes an inpatient at NHH, the Contractor shall be deemed in compliance with New Hampshire Administrative Rule He-M 408, if the consumer's inpatient status is noted in the record.

3.10.3. The Contractor will submit to Department data needed to comply with federal reporting requirements.

4. Consumers' Contribution for Clothing, Food and Housing

4.1.1. The Contractor agrees to collect income from consumers to apply toward their cost of clothing, food, and housing.

4.1.2. The Contractor shall provide for Department approval within 10 days from the contract effective date the consumers' income contribution policy that includes, at a minimum, the process and method for calculating, collecting, using the contribution, and accounting for the consumer's contribution and share of expenditures for clothing, food, and housing, and for maintaining records for such collections and expenses.

5. Staffing

5.1. The Contractor shall provide sufficient number of personnel to ensure the safety of consumers, staff, and the community. Staffing shall include:

5.1.1. One Medical Director who:

5.1.1.1. Possess a valid license to practice medicine in the United States;

5.1.1.2. Possess a valid license to practice medicine in New Hampshire; and meet the requirements of RSA 135-C: 2, XIII.

5.1.1.3. Is board eligible or board certified in psychiatry according to the regulations of the American Board of Psychiatry and Neurology, Inc., or its successor organization at the time of hiring; and

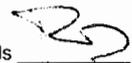
5.1.1.4. Maintains board eligibility or certification throughout his/her tenure as medical director.

5.1.2. One Administrator or Director who will be responsible for the day-to-day management, supervision, and operation of the residence.

5.1.3. At least one Registered Nurse, licensed in accordance with RSA 326-B, who is responsible for the overall delivery and supervision of nursing services.

5.1.4. One Nurse Trainer who will provide supervision to any staff member who is authorized to administer medications.

5.1.5. A sufficient number of personnel to provide nursing services, consisting of registered nurses, licensed practical nurses, and other staff. Nurses shall be registered as required by RSA 326-B.


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- 5.1.6. A sufficient number of direct care personnel to meet the 24-hour scheduled and unscheduled needs of the consumers in accordance with the consumers' individual service plans. The provider shall have a minimum of one (1) direct staff member per residence per shift when a consumer is occupying the residence.
- 5.2. The Contractor's Clinical staff working within the Transitional Housing Program Services shall be certified in the administration of the Adult Needs and Strengths Assessment (ANSA) using either the State web based training and certification program or attendance at a State sponsored training. The Contractor shall provide the Department with copies of the staffs' certificates.
- 5.3. The Contractor shall provide to the Department for approval within thirty (30) days from the contract effective date, a staffing contingency plan, including but not limited to:
 - 5.3.1. The process for replacement of personnel in the event of loss of key personnel or other personnel before or after signing of the Agreement;
 - 5.3.2. Allocation of additional resources to the Agreement in the event of inability to meet any performance standard;
 - 5.3.3. Discussion of time frames necessary for obtaining replacements;
 - 5.3.4. Capabilities to provide, in a timely manner, replacements/additions with comparable experience; and
 - 5.3.5. Method of bringing replacements/additions up-to-date regarding this Agreement.

6. Emergency Response Plan

- 6.1. The Contractor shall provide for Department approval within 10 days from the contract effective date, an Emergency Plan for consumers in the event of a natural, intentional or accidental incident or threat that affects the consumers' health and safety.

7. Recycling Program Services

- 7.1. The Contractor will provide recycling program services as follows:
 - 7.1.1. Collect recyclable waste defined as mixed paper, cardboard, plastic, aluminum and steel cans, and glass.
 - 7.1.2. Sort and Shred the recyclable waste as appropriate
 - 7.1.3. Transport the material to one of two destinations,
 - 7.1.4. Dispose of the recyclable waste into one or more containers and/or compactors situated at the disposal destination which were procured by the State for such purpose as follows:
 - 7.1.4.1. The primary disposal destination is located within the Governor Hugh J. Gallen State Office Park.



Exhibit A

- 7.1.4.2. The secondary disposal destination is located at 11 Stickney Avenue in Concord, New Hampshire.
- 7.1.4.3. The Contractor shall transport all collected recyclable waste to the primary disposal destination except when the containers and/or compactors at said location are full or unavailable due to maintenance, at which time the Contractor shall proceed to the secondary disposal destination.
- 7.1.4.4. The State reserves the right to designate other disposal locations as it sees fit to replace and/or supplement the primary and secondary disposal destinations described above.
- 7.2. The Contractor will employ transitional housing consumers to staff the recycling services in accordance with Section 2.8.
- 7.3. The Contractor will maintain the following written records:
 - 7.3.1. Timesheets for all personnel performing the recycling services, a log of amounts of materials collected (by weight), and a truck mileage log and submit these records for Department review and approval, by the 15th day of each January, April, July, and October.
- 7.4. The Contractor will collect waste recyclable materials from the buildings situated within the Governor Hugh Gallen State Office Park, located between Pleasant, Fruit, Clinton, and South Spring Streets in Concord, New Hampshire.
- 7.5. The Contractor shall submit to the Department for approval within 5 days from the contract effective date, a recycle collection schedule (excluding weekends and State Employee Holidays) that at a minimum includes the days of the week, the names and address of the buildings, and the order of the pickups and the time of day the pickups will occur. The collection schedule shall include a contingency plan due to changes in staffing, higher volume of recycling materials, when using the secondary disposal location as in Section 6.1.4.2, or other related changes.

8. Reporting

- 8.1. The Contractor agrees to meet with the Department at least quarterly or as requested by the Department to review the consumers' progress towards independent living.
- 8.2. The Contractor agrees to submit quarterly (January through March, April through June, July through September, and October through December) reports to the Department by the 15th of the month following the quarter, at a minimum, the following:
 - 8.2.1. The number of people referred and admitted to Transitional Housing Program Services.

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8.2.2. The number of people discharged from the Transitional Housing Program Services.

8.2.3. The number of people transitioned into the community

8.3. The Contractor agrees to submit to the Department monthly, the Balance Sheet and Profit and Loss Statement for the Contractor to evaluate the Contractor's fiscal integrity. The Profit and Loss Statement shall include a budget column allowing for budget-to-actual analysis. Statements shall be submitted within thirty (30) days after each month end and be based on the accrual method of accounting and include the Contractor's total revenues and expenditures whether or not generated by or resulting from funds provided pursuant to this Agreement.

9. Use of Premises for the State Owned Buildings

9.1. The Contractor agrees to use the State of New Hampshire owned buildings identified by the Department to provide the Transitional Housing Program services on the Hugh Gallen State Office Park South Campus, in Concord, New Hampshire.

9.2. The Contractor agrees to the use of premises of State of New Hampshire owned buildings in Section 9.1 as follows:

9.2.1. Routine building maintenance is defined as normal wear and tear of the building structure, envelope, systems, hardware, and fixed assets (not including kitchen appliances). Routine building maintenance does, not include damage resulting in abuse or neglect by the contractor or its agents, consumers, and visitors.

9.2.2. Responsibilities of the Contractor are as follows:

9.2.2.1. Establish accounts for all utilities (Natural Gas, Steam, Water/Sewer, & Electric) in the name of the contractor, with NH Hospital named as "second" on each utility account. Invoices for each utility shall be sent directly to, and paid by the contractor.

9.2.2.2. Assign a Liaison and backup to develop a Maintenance Checklist for routine repairs/maintenance needed. The Maintenance Checklist will be available for the Hospital to review and prioritize during the bi-weekly inspection conducted by the Hospital. Liaisons will be the only persons who shall contact Hospital Maintenance;

9.2.2.3. Liaison will be responsible for all keys, to include distribution, tracking, and communication with the Hospital Maintenance Office for lock repair or key replacement;

9.2.2.4. Be responsible for routine household tasks, such as, moving of furniture, changing light bulbs, and minor plumbing repairs, such as, toilet unclogging;



Exhibit A

- 9.2.2.5. Be responsible for window air conditioners maintenance, repairs, and replacement;
 - 9.2.2.6. Be responsible to call Campus Police if there is an emergency requiring maintenance after normal business hours;
 - 9.2.2.7. Be responsible for maintenance, repair, and replacement of household appliances, such as, dishwashers, washer and dryer, and stoves;
 - 9.2.2.8. Be responsible for maintenance, repair, and replacement of landscaping features/decorations such as gazebos, smoking apparatus, gazing balls, etc.;
 - 9.2.2.9. Conduct monthly fire extinguisher inspections. Maintain, or replace the extinguishers annually as necessary;
 - 9.2.2.10. Agrees that any damage due to occupancy, or leasehold improvements are their full responsibility – including interior painting & floor covering repair or replacement. But in no case shall leasehold improvements be made without the written permission of the Hospital;
 - 9.2.2.11. Properly maintain all equipment and will be responsible to pay for any equipment needing replacement or repair;
 - 9.2.2.12. Use the states IT cables only as approved by the Information Technology Department;
 - 9.2.2.13. Pay for the personal alarm (“Life Alert”) system;
 - 9.2.2.14. Be responsible for snow removal and de-icing of steps and walkways adjacent to the buildings;
 - 9.2.2.15. Be responsible for the purchase, supply, laundering, and management of all linens (sheets, pillowcases, bath towels, and face cloths); and
 - 9.2.2.16. Assure all buildings are reasonably maintained, kept sanitary, and clean between scheduled cleaning services provided by the Hospital.
- 9.3. The Department's New Hampshire Hospital will provide support for the buildings used in Section 9.1 for the Transitional Housing Program Services as follows:
- 9.3.1. Conduct scheduled preventative maintenance inspections and repairs for all equipment to include, heating and cooling systems, sump pumps, plumbing fixtures, drains, and backflow preventers;
 - 9.3.2. Replace, as needed, equipment to include, heating and cooling systems, sump pumps, plumbing fixtures, drains, backflow preventers, and generators;

Exhibit A

Contractor Initials LD



Exhibit A

- 9.3.3. Maintain all electrical wiring and related hard-wired lighting, receptacles and panel board fixtures;
- 9.3.4. Maintain all fire protection related equipment, except fire extinguishers;
- 9.3.5. Attend to requests for routine maintenance during normal business hours, Monday through Friday 7:00 AM - 3:00 PM;
- 9.3.6. Respond immediately to emergency maintenance requests that threaten the health and safety of consumers, staff, and property as needed, 24/7;
- 9.3.7. Tour each building as needed, or requested to inspect the building and to review and prioritize the Maintenance Checklist developed by the Contractor Liaison;
- 9.3.8. Provide monthly test of each generator and egress lighting, and provide the Contractor with written documentation of the test and results;
- 9.3.9. Conduct fire drills in accordance with applicable compliance regulations, and provide the Contractor with written documentation of the test and results;
- 9.3.10. Conduct sprinkler inspections in accordance with applicable local, State, and federal regulations, and provide the Contractor with written documentation of the test and results;
- 9.3.11. Campus Police will provide Police Coverage/Protection including Life-Alert;
- 9.3.12. Monitor Transitional Housing Services environment via the Metasys system;
- 9.3.13. Clean kitchen exhaust ductwork on an annual basis; and
- 9.3.14. Maintain locks and replace lost or damaged keys at a price to be determined by the Hospital.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions of this Agreement, Form P-37, for the services provided by the Contractor pursuant Exhibit A, Scope of Services.
2. The State shall pay the Contractor for services pursuant to Exhibit A, Scope of Services (except for Section 7 Recycling Program Services) as follows:
 - 2.1. For consumers who are Medicaid enrolled under:
 - 2.1.1. The Managed Care program, the Contractor will be paid in accordance with its contract with the Managed Care Contractor, starting on or after July 1, 2016.
 - 2.1.2. Medicaid Fee-for-Service, the Contractor will be paid for services on the prevailing Medicaid fee-for-service schedule, Exhibit B-1 Medicaid Fee-for-Service Schedule.
 - 2.1.3. The New Hampshire Health Protection program, the Contractor will be paid in accordance with the prevailing New Hampshire Medicaid Fee-for-Service rates.
 - 2.2. It is the sole responsibility of the Contractor to bill for services provided to consumers through the appropriate Medicaid program in Section 2.1.
3. The Contractor shall pursue any and all appropriate sources of funds that are applicable to funding of the service(s), including the consumers' contribution in Exhibit A Section 4.
4. The Agreement (except for Exhibit A, Section 7 Recycling Program Services) is funded by the New Hampshire General Fund and by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:
 - 4.1. CFDA # 93.778, U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, Medical Assistance Program
 - 4.2. The Contractor agrees to provide the services in Exhibit A Scope of Services (except for Exhibit A, Section 7 Recycling Program Services) in compliance with funding requirements.
5. Reimbursement for Exhibit A, Section 7 Recycling Program Services:
 - 5.1. The Contractor will be paid for all inclusive costs, such as labor and truck mileage accrued in the performance of its obligations, in the aggregate at a fixed quarterly rate of \$6,000. A quarter is defined as the periods of: January through March, April through June, July through September, and October through December.
 - 5.2. The Recycling Program Services is funded with Other Funds (from the Recycling Program)
 - 5.3. Invoices shall be submitted to the Department quarterly together with the supporting written records required to be maintained under this Agreement pursuant to Exhibit A. Payment shall be made quarterly in full within thirty (30) days after receipt of an invoice and the State's approval of the supporting records. Payment for services provided in accordance with the Agreement shall be made in full within thirty (30) days.
 - 5.4. The invoices shall be submitted to the following address:

Financial Management
Bureau of Behavioral Health
105 Pleasant Street
Concord NH 03301

Exhibit B

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Contractor Initials

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Exhibit B

6. All reports required pursuant to this Agreement are due to the Department within timeframes specified by the Department. The Department may withhold, in whole or in part, any of the funding for the ensuing Agreement period until the Contractor submits reports to the Department's satisfaction, unless a waiver has been granted.
8. 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.
9. The Department reserves the right to recover any program funds not used, in whole or in part, for the purposes stated in this Agreement from the Contractor within one hundred and twenty (120) days of the end of the fiscal year.
10. Any expenditure that exceeds the approved services shall be solely the financial responsibility of the Contractor.

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Exhibit B-1

Medicaid Fee for Service Schedule

Transitional Housing Program Services Authorized Medicaid Services					
	Minimum Staff Qualifications	Service	National Code	Rate	Freq./Duration
1	Bachelors Level Staff	Therapeutic Behavioral Service (TBS) Per Diem	H2020	\$223.00	1 event per day
2	Team, Psychiatrist, RN, Masters, Bachelors	Restorative Partial Hospitalization, Continuous Treatment Team Full Day	H2018	\$99.90	1 event per day
3	Team, Psychiatrist, RN, Masters, Bachelors	Restorative Partial Hospitalization, Continuous Treatment Team, Half Day	H2001	\$69.26	1 event per day
4	Team, Psychiatrist, RN, Masters, Bachelors	Restorative Partial Hospitalization, Full Day	H2018	\$99.90	1 event per day
5	Team, Psychiatrist, RN, Masters, Bachelors	Restorative Partial Hospitalization, Half Day	H2001	\$69.26	1 event per day
6	Bachelors Level Staff	Case Management	T1016	\$358.00	1 per calendar month
7	Bachelors Level Staff	Supported Employment	H2023	\$26.54	15 minute unit
8	Bachelors Level Staff	Psychoeducation (IMR) per 15 minutes	H2027	\$26.54	15 minute unit
9	Bachelors Level Staff	Psychoeducation (IMR) per 15 minutes-Group	H2027-HQ	\$9.19	15 minute unit
10	Masters Level Clinician	Individual Psychotherapy 20-30 minutes	90804	\$53.29	1 event per day
11	Psychiatrist	Individual Psychotherapy w/ med mgmt 20-30 minutes face to face	90805	\$66.21	1 event per day
12	Masters Level Clinician	Individual Psychotherapy 45-50 minutes	90806	\$79.93	1 event per day
13	Psychiatrist	Individual Psychotherapy w/ med mgmt 45-50 minutes face to face	90807	\$119.89	1 event per day
14	Masters Level Clinician	Individual Psychotherapy 75-80 minutes	90808	\$133.21	1 event per day
15	Psychiatrist	Individual Psychotherapy w/ med mgmt 75-80 minutes face to face	90809	\$199.82	1 event per day
16	Masters Level Clinician	Group Psychotherapy	90853	\$10.65	15 minute unit
17	Psychiatrist	Psychiatric Assessment	99213	\$65.98	1 event per day
18	Psychiatrist	New Patient Office or Other outpatient visit - E&M 10 minutes face to face	99201	\$39.88	1 event per day
19	Psychiatrist	New Patient Office or Other outpatient visit - E&M 20 minutes face to face	99202	\$68.33	1 event per day
20	Psychiatrist	New Patient Office or Other outpatient visit - E&M 30 minutes face to face	99203	\$99.89	1 event per day
21	Psychiatrist	New Patient Office or Other outpatient visit - E&M 45 minutes face to face	99204	\$152.03	1 event per day
22	Psychiatrist	New Patient Office or Other outpatient visit - E&M 60 minutes face to face	99205	\$190.76	1 event per day
23	Psychiatrist	Evaluation and management of patient that may not require the presence of a physician, typically 5 minutes face to face	99211	\$22.01	1 event per day
24	Psychiatrist	Evaluation and management of patient, typically 10 minutes face to face	99212	\$41.18	1 event per day
25	Psychiatrist	Evaluation and management of patient, typically 15 minutes face to face	99213	\$65.98	1 event per day
26	Psychiatrist	Evaluation and management of patient, typically 25 minutes face to face	99214	\$99.06	1 event per day
27	Psychiatrist	Evaluation and management of patient, typically 40 minutes face to face	99215	\$133.62	1 event per day



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;

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- 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.

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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 (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) 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.
3. The Department reserves the right to renew the Contract for up to three additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.



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

New Hampshire Department of Health and Human Services
Exhibit D

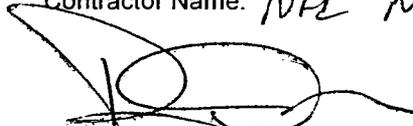


- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 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.

11/24/15
Date

Contractor Name: NFE NORTH, INC

Name: Paul L. DANN, PhD
Title: EXECUTIVE DIRECTOR

Contractor Initials LD
Date 11/24/15



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-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

11/24/15
Date

Contractor Name: NFE NORTH, INC.

Name: Paul L. DANN, Ph.D
Title: EXECUTIVE DIRECTOR



**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

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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.

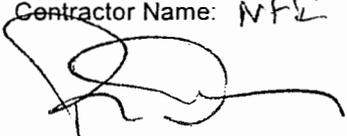
PRIMARY COVERED TRANSACTIONS

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.

11/24/15
Date

Contractor Name: NFE NORTH INC

Name: Paul L. Darrow, PhD
Title: EXECUTIVE DIRECTOR



**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

PD

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

Date

1/24/15

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: NFE North, Inc.

Name: Paul L. Danno, Inc.
Title: EXECUTIVE DIRECTOR

11/24/15
Date

Exhibit G

Contractor Initials

RD

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

Date

11/24/15



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: NFI NORTH, Inc.

Name: Paul C. Dano, PhD
Title: EXECUTIVE DIRECTOR

11/24/15
Date

Contractor Initials PD
Date 11/24/15



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.

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Exhibit I

- l. "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



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 (I). 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

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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

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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.



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.

<p>_____ The State</p> <p><u>Marilee Nihan</u> Signature of Authorized Representative</p> <p><u>Marilee Nihan</u> Name of Authorized Representative</p> <p><u>Deputy Commissioner</u> Title of Authorized Representative</p> <p><u>11/30/15</u> Date</p>	<p><u>NFE NORTH, Inc</u> Name of the Contractor</p> <p><u>[Signature]</u> Signature of Authorized Representative</p> <p><u>Paul L. Dann, PhD</u> Name of Authorized Representative</p> <p><u>EXECUTIVE DIRECTOR</u> Title of Authorized Representative</p> <p><u>11/24/15</u> Date</p>
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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: NFI North, Inc.

Name: Paul L. Dawn, PhD
Title: EXECUTIVE DIRECTOR

11/24/15
Date

Contractor Initials PLD
Date 4/24/15



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: 95-698-1864
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?

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: _____



Exhibit K

ADMINISTRATION OF MEDICATIONS IN THE TRANSITIONAL HOUSING PROGRAM

1. The Contractor agrees to with comply with Exhibit K, Administration of Medications in the Transitional Housing Program to ensure the safe administration of medications by providers to individuals who reside in community residences certified under He-M 1002.

2. Definitions. The words and phrases used in this Exhibit shall mean the following:

(a) "Administration" means an act whereby a single dose of a drug is instilled into the body of, applied to the body of, or otherwise given to a person for immediate consumption or use.

(b) "Authorized provider" means a person who is employed by, has a contract with, or receives remuneration from a "Community mental health provider" to deliver services to an individual

(c) "Community mental health program" CMHP means a program operated by the state, city, town, county, or a community-based New Hampshire nonprofit corporation for the purpose of planning, establishing, and administering an array of community-based, mental health services pursuant to He-M 403 and as defined in RSA 135-C:2, 1V.

(d) "Community mental health provider" means a Medicaid provider of community mental health services that has been previously approved by the commissioner to provide specific mental health services pursuant to He-M 426.

(e) "Community residence" means a residence, exclusive of any independent living arrangement, that:

(1) Provides residential services in accordance with He-M 426 and He-M 1002 for at least one individual with a mental illness;

(2) Provides services and supervision for individuals on-site 24 hours a day, 7 days a week or at all times that individuals are in the residence, unless an individual's ISP states that he or she may be left alone;

(3) Serves individuals whose services are funded by the department; and

(4) Is certified pursuant to He-M 1002.

(f) "Competent" means having the integration of knowledge, judgment and skills necessary to provide safe medication administration.



Exhibit K

(g) "Controlled drug" means a drug which is included in schedules I, II, III, IV, or V of part B of the Controlled Substances Act 21 U.S.C. 811-812.

(h) "Deficiency" means a determination made by department staff, as a result of a program review pursuant to He-M 1002.13, that a program is not operating in compliance with a particular administrative rule adopted by the department.

(i) "Department" means the New Hampshire department of health and human services.

(j) "Director" means the director of the division of behavioral health or his or her designee.

(k) "Division" means the division of behavioral health.

(l) "Independent living arrangement" means a situation where an individual does not receive daily and ongoing services and supervision but receives assistance, as needed, to maintain or develop skills to live independently and prevent circumstances that could necessitate a transfer to a more restrictive level of care.

(m) "Individual" means a person with a mental illness who receives services from a community mental health program or community mental health provider in a community residence.

(n) "Guardian" means the parent of a child under the age of 18 whose parental rights have not been terminated under RSA 170-C or a person appointed to be guardian of the person under RSA 464-A.

(o) "Licensed person" means a registered nurse, a licensed practical nurse, an advanced registered nurse practitioner, a physician, a pharmacist, a physician assistant, or a dentist licensed in the state of New Hampshire.

(p) "Medical director" means the medical director of the division or his or her designee.

(q) "Medication" means a drug prescribed for an individual by a prescribing practitioner including drugs to be taken on a PRN basis and over-the-counter drugs.

(r) "Medication log" means a written record of medications prescribed for, and administered to, an individual.

(s) "Medication occurrence" means any deviation in the administration of a medication as prescribed or in related documentation with the exception of a deviation caused by an individual's:

(1) Refusal to take medication;

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11/24/15



Exhibit K

(2) Absence from a community residence; or

(3) Attempting to use prescribed medication while under the influence of alcohol or illegal drugs.

(t) "Medication order" means directions provided by a prescribing practitioner, either in writing or verbally, for a specific drug to be administered to an individual.

(u) "Mental illness" means mental illness as defined in RSA 135-C:2, namely "a substantial impairment of emotional processes, or of the ability to exercise conscious control of one's actions, or of the ability to perceive extremely abnormal behavior or extremely faulty perceptions."

(v) "Nurse Trainer" means a registered nurse who has been designated as a trainer

(w) "PRN medication" means a drug ordered to be taken as needed for a specific condition.

(x) "Prescribing practitioner" means a licensed professional with prescriptive authority, including the following:

- (1) Physician;
- (2) Advanced registered nurse practitioner (A.R.N.P.);
- (3) Dentist;
- (4) Physician's assistant;
- (5) Optometrist; and
- (6) Podiatrist.

(y) "Provider" means a person who is employed by, has a contract with, or receives any form of remuneration from a community mental health provider to deliver services to an individual.

3. The Contractor agrees to the Medication Administration as follows:

(a) Administration of medications to individuals shall be performed by authorized providers or licensed persons only.

(b) All individuals shall be initially assessed by a licensed physician, A.R.N.P., physician assistant, or nurse trainer to determine the level of support needed specific to medication administration.



Exhibit K

(c) The assessment pursuant to (b) above shall include the individual's:

- (1) Medication orders and medications prescribed;
- (2) Health status and health history;
- (3) Ability to self-medicate
- (4) Ability to understand

(d) If a guardian with authority regarding health care decisions has been appointed for an individual, the "Community mental health provider" shall obtain the consent of the guardian prior to the administration of medications.

(e) Authorized providers shall administer only those medications for which there is a medication order.

(f) Authorized providers shall maintain a copy of each individual's medication orders in the individual's record.

(g) Authorized providers shall administer PRN medication in accordance with:

- (1) A medication order; and
- (2) A PRN protocol approved by the prescribing practitioner or the nurse trainer that includes:
 - a. The specific condition(s) for which the medication is given;
 - b. A maximum daily dosage; and
 - c. Any special instructions.

(h) Authorized providers shall administer medications only to the individuals to whom they are regularly assigned or about whom they have current knowledge relative to their medication regimes.

(i) Information specific to each medication shall be obtained by the authorized provider prior to administration of medications, including, at a minimum:

- (1) The purpose and effect(s) of the medication;
- (2) Response time of the medication;



Exhibit K

(3) Possible side effects, adverse reactions, and symptoms of overdose;

(4) Possible medication interactions; and

(5) Special storage or administration procedures.

(j) In the event of discovery of a medication occurrence, an authorized provider shall:

(1) Consult immediately with a licensed person concerning any actions to be taken;

(2) Document each medication occurrence within 8 hours of discovery of the occurrence; and

(3) Forward the documentation to the nurse trainer within one business day.

(k) In the event of medication refusal, the authorized provider shall:

(1) Consult immediately with a licensed person concerning any actions to be taken;

(2) Document each medication occurrence pursuant within 8 hours of discovery of the refusal; and

(3) Forward the documentation to the nurse trainer within one business day.

(l) In those cases where an individual has a history of medication refusal, immediate consultation and documentation pursuant to (k) above shall not be necessary if a protocol has been developed by the individual's treatment team that includes the actions to be taken to address the refusal and has been approved by the prescribing practitioner and, if applicable, guardian.

(m) Copies of medication occurrence and medication refusal reports shall be maintained in the quality improvement office at the "Community mental health provider".

4. The Contract agrees to the Self-Medication as follows:

(a) Individuals who wish to take their own medications, with their guardians' approval, if applicable, shall be determined to be self-medicating by a licensed physician, A.R.N.P., physician assistant, or nurse trainer if they demonstrate the ability to:

(1) Identify each medication;

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- (2) Indicate the purpose of each medication;
 - (3) Indicate the dosage, frequency, time and route of administration for each medication;
 - (4) Demonstrate an understanding of the potential consequences of not taking the medication or of not taking the medication properly;
 - (5) Indicate circumstances for which assistance should be sought from licensed persons; and
 - (6) Seek assistance, if needed, from licensed persons.

(b) If individuals do not demonstrate the ability to self-medicate pursuant to (a) above but wish to receive education regarding self-medication, then:

- (1) The individual service plan shall document the individual's need for such education;
- (2) The education shall precede self-medication and include, minimally, the components outlined in (a)(1)-(6) above; and
- (3) Until an individual demonstrates the capability to self-medicate, the individual receiving education shall be directly supervised by a licensed person or an authorized provider when taking medications to prevent medication occurrences.

(c) If an individual's physical or mental health declines such that his or her ability to self-administer is affected, the individual shall be re-assessed by a licensed physician, A.R.N.P., physician assistant, or nurse trainer to determine his or her continued capability to self-medicate.

(d) Documentation by the nurse trainer and, if applicable, guardian approval of self-medication ability shall be maintained in the individual's record at the community residence.

5. The Contractor agrees with the Training and Authorization of Providers as follows:

(a) Providers who request training to be authorized to administer medications shall complete a training program that:

- (1) Consists of a minimum of 8 hours of classroom training, exclusive of testing or nurse trainer competency evaluation;
- (2) Is conducted by a nurse trainer; and



Exhibit K

(3) Covers the following topics:

- a. The role, responsibilities and performance of the authorized provider in the medication administration process;
- b. Principles of emergency response;
- c. Effective health care coordination;
- d. Rights regarding accepting or refusing medications;
- e. Principles of infection control as they relate to medication administration;
- f. Anatomy and physiology as they relate to medication administration;
- g. Common reactions to medications;
- h. Categories of medications and their effects;
- i. Effective management of poisoning or medication overdose;
- j. Storage and disposal of medications;
- k. Communications with individuals and if applicable, their guardians, about their medications;
- l. The 6 principles of medication administration including:
 - 1. The correct medication;
 - 2. The correct dosage of the medication;
 - 3. The medication to the correct individual;
 - 4. The medication at the correct time;
 - 5. The medication to the individual by the correct method; and
 - 6. The accurate documentation;
- m. Methods of administration, including:



Exhibit K

1. Oral;
2. Topical;
3. Inhalant;
4. Sublingual;
5. Transdermal;
6. Nasal;
7. Ocular;
8. Auricular;
9. Vaginal;
10. Rectal; and
11. When indicated by the needs of the individual:
 - (i) Subcutaneous;
 - (ii) Intramuscular, only if epinephrine via auto injector; and
 - (iii) Enteral; and

n. Methods of documenting:

1. The administration of medications;
2. The use of controlled substances; and
3. Medication occurrences.

(b) To be authorized to administer medications, providers shall have:

- (1) Completed a minimum of 8 hours of classroom training as set forth as set forth in (a) above;



Exhibit K

(2) Scored 80% or higher, on a written examination based on the information conveyed to them in the training referenced in (a) above; and

(3) Demonstrated knowledge of the following pertaining to each individual's medication(s):

- a. The name of the medication;
- b. The reason for its use;
- c. Any side effects or adverse reactions; and
- d. Any special instructions such as giving certain fluids, checking pulse rate or monitoring blood levels; and

(4) Following direct observation by a nurse trainer, been found appropriate, pursuant to Nur 404.06(b)-(f), to be authorized to administer medications.

(c) Authorization pursuant to (b) above shall be valid for one year from the date of issuance.

(d) Whenever a change in an individual's medication occurs or a new individual begins to receive services, the nurse trainer shall educate the authorized provider according to "Training and Authorization of Providers" section above.

(e) Re-authorization of an authorized provider shall:

- (1) Follow a nurse trainer's direct observation of the provider in the administration of medication;
- (2) Be performed in accordance with Nur 404.06(b)-(f), as applicable; and
- (3) Be valid for a period of 12 months from the date of issuance.

(f) Documentation of authorization pursuant to (b)(4) and (e) above shall be maintained by the nurse trainer for each authorized provider.

(g) Authorization of providers to administer medication shall be rescinded pursuant to Nur 404.06(g)-(h). Authorization shall be reinstated pursuant to "Training and Authorization of Provider" section above.

6. The Contractor agrees with the Documentation as follows:



Exhibit K

(a) For each individual for whom medications are administered, an authorized provider shall maintain documentation of medication administration that includes:

- (1) The name of the individual;
- (2) If applicable, the guardian's name and contact information;
- (3) Emergency contacts;
- (4) Allergies, if applicable; and
- (5) For each medication prescribed:
 - a. The name of the individual;
 - b. The dosage;
 - c. The frequency of administration;
 - d. The route of administration;
 - e. The date and time of administration;
 - f. The order date; and
 - g. Special considerations in taking the medication, if applicable, as directed by the prescribing practitioner or the pharmacist.

(b) Documentation of medication administration shall be completed by the authorized provider at the time medications are administered.

(c) Each authorized provider who administers medications to an individual shall enter his or her full signature, credentials and initials in a section designated for such purpose in the individual's current medication log.

(d) When a PRN medication is administered, documentation shall be pursuant to (a) above and also include the reason for administration and the medication's effectiveness.

(e) When a controlled drug is prescribed for an individual, the authorized provider shall maintain an inventory that includes:

- (1) The name of the individual;
- (2) The name of the prescribing practitioner;



Exhibit K

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- (3) The name of the drug and strength;
 - (4) The amount used;
 - (5) Amount remaining;
 - (6) The time and date administered;
 - (7) The name and credentials of the person who administered the medication;
 - (8) Documentation of a daily count; and
 - (9) If applicable, documentation of disposal in the presence of 2 people, at least one of whom is a licensed person.

(f) An authorized provider shall document:

- (1) Each medication occurrence upon discovery; and
- (2) An individual's refusal to take medications, except as noted "Medication Administration" section paragraph (l).

(g) Documentation required pursuant to (f) above shall, at a minimum, include the following:

- (1) The individual's name;
- (2) The date and time of the occurrence or refusal;
- (3) The drug name, dosage, frequency, route of administration and prescribing practitioner;
- (4) A description of the occurrence or refusal;
- (5) The date and time of notification of a licensed person
- (6) Actions recommended by the licensed person;
- (7) Actions taken by the authorized provider; and
- (8) The date and time of notification of a nurse trainer.

(h) Changes in medication orders shall be documented on the medication log by licensed persons or authorized providers.



Exhibit K

(i) The authorized provider shall report all changes in medication orders to the nurse trainer.

(j) The authorized provider shall note, in the medication log, any medication withheld and the reason(s) the medication was withheld.

(k) The requirements of (a)-(i) above shall not apply to individuals who self-medicate

7. The Contractor agrees with the Storage of Medications as follows:

(a) All medications to be administered by an authorized provider shall be kept in a locked container, cabinet or closet.

(b) All controlled drugs to be administered by the authorized provider, except as noted in (c) below, shall be stored in a locked compartment within a locked container, cabinet or closet.

8. The Contractor agrees with the Quality Review as follows:

(a) A registered nurse or licensed practical nurse shall, at least monthly, review the following for all individuals whose medications are administered by authorized providers:

(1) Documentation that the provider administering the medication(s) holds a current authorization;

(2) Medication orders and PRN protocols;

(3) Medication labels and medications listed on the medication log to ensure that they match prescribing practitioner's orders;

(4) Medication logs to ensure that documentation indicates:

a. That medication was administered as prescribed;

b. Refusal by the individual to take medication, if applicable;

c. Any medication occurrences; and

d. The full signatures and credentials of all persons who initial the log; and

(5) Medication storage to ensure compliance with "Storage of Medication" section



Exhibit K

(b) Reviews pursuant to (a) above shall be documented, dated and signed by the nurse and retained for at least 6 years by the community mental health program.

9. The Contractor agrees with the Designation of Nurse Trainers as follows:

(a) The director shall, upon request, grant designation as a nurse trainer to nurses who:

- (1) Have a license as a registered nurse in the State of New Hampshire that is current and unencumbered;
- (2) Have 2 years of licensed nursing experience, at least one of which has been as a registered nurse, within the past 5 years; and

10. The Contractor agrees to the Medication Quality Review as follows:

(a) The medical director shall review information submitted pursuant to (d) below.

(b) A nurse trainer from the "Community mental health provider" shall annually submit a report to the program's director of quality assurance that includes the following:

- (1) The program name;
- (2) The dates during which information was collected and the number of individuals served;
- (3) The name, license number, and license expiration date of the nurse trainer;
- (4) The date on which the nurse trainer received his or her training and authorization as a trainer;
- (5) The number of hours of supervision provided by the nurse trainer per month;
- (6) The number of providers trained and number of authorized providers retrained within the particular reporting period;
- (7) The total number of providers authorized to administer medication within CMHC programs as of the date of the report;
- (8) The total number of medication occurrences listed by specific medication(s) involved, type, frequency, and the corrective action taken;



Exhibit K

(9) The number of department-issued "medication Administration" related certification deficiencies documented for the setting pursuant to He-M 1002.13;

(10) Any medication related waiver for the setting, if any;

(11) A narrative summary of the factors which affected the administration of medication; and

(12) The signature of the nurse trainer completing the form and the date on which the report is submitted.

(c) The quality assurance director the "Community mental health provider" shall report annually on the agency's performance in medication administration to the division. The report shall summarize the content of the nurse trainer's report.

(d) The medical director shall review the reports submitted pursuant to (c) above and recommend to the director that corrective action be taken by those community residences that, as demonstrated by the reports, have failed to comply with the provisions of this "Medication Administration" Appendix G.

(e) The recommendations shall identify areas of non-compliance and suggest corrective action to be taken.

(f) The director shall review all recommendations for corrective action made pursuant to (e) above. For the "Community mental health provider" for which corrective action has been suggested, the director shall require such corrective action to be taken. Corrective action shall be designed to result in an agency's compliance with the "Medication Administration" appendix.

(g) the "Community mental health provider" that is in receipt of a requirement for corrective action shall, within 30 days of such receipt, forward a corrective action plan to the medical director and begin implementation of such plan.

11. The Contractor agrees with the Revocation requirements as follows:

(a) Under the following circumstances, the director shall revoke the designations of those nurse trainers and authorizations to administer medications of those providers in "Community mental health provider" where corrective action has been required:

(1) A "Community mental health provider" fails to submit a corrective action plan



Exhibit K

(2) A "Community mental health provider" submits a corrective action plan which fails to satisfy the criteria specified by the medical director or his or her designee or

(3) The "Community mental health provider" fails to implement a corrective action plan.

(b) Revocation shall only occur following the provision of 30 days' written notice. Such written notice shall state the reasons for the revocation and inform the "Community mental health provider" that it may appeal the decision. If an appeal of the decision is filed, the revocation shall be postponed pending final action by the director.

(c) The division shall withdraw a notice of revocation if, within the notice period, the "Community mental health provider" complies with or, in the judgment of the director or designee, has made progress toward complying with the "Medication Administration" Appendix G.

(1) A request for appeal shall be submitted in writing to the director within 10 days following the date of the notification of revocation of authorization of a provider to administer medication or designation of a nurse trainer.

(2) The director shall immediately forward the request to the administrative appeals unit so that an appeal proceeding can be scheduled.

(3) Appeals shall be conducted in accordance with He-C 200.

12. The Contractor agrees with He-M 1202.13 Waivers requirements as follows:

(a) A provider or "Community mental health provider" may request a waiver of specific procedures outlined in this Appendix G, in writing, from the department.

(b) A request for waiver shall include:

(1) A specific reference to the section of the Appendix for which a waiver is being sought;

(2) A full explanation of why a waiver is necessary;

(3) A full explanation of alternative provisions or procedures proposed by the "Community mental health provider" or individual;

(4) If the setting is certified, the date of certification;



Exhibit K

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- (5) Signature of the individual(s) or legal guardian(s) indicating agreement with the request; and
 - (6) Signature of the "Community mental health provider" executive director or designee recommending approval of the waiver.
- (c) No provision or procedure prescribed by statute shall be waived.
- (d) The director shall grant the waiver if he or she determines that the alternative proposed meets the objective or intent of the rule and does not negatively impact the health or safety of the individual(s).
- (e) Upon receipt of approval of a waiver request, the "Community mental health provider", the provider or individual's subsequent compliance with the alternative provisions or procedures approved in the waiver shall be considered compliance with the rule for which waiver was sought.
- (f) Waivers shall be granted in writing for a specific duration not to exceed one year.
- (g) An provider, a "Community mental health provider" or individual may request a renewal of a waiver from the department. Such request shall be made at least 90 days prior to the expiration of a current waiver and shall not exceed one year.