



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527  
603-271-5934 1-800-852-3345 Ext. 5934  
Fax: 603-271-4506 TDD Access: 1-800-735-2964



Nicholas A. Toumpas  
Commissioner

Marcella J. Bobinsky  
Acting Director

July 2, 2015

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

Sole source

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division of Public Health Services, to exercise a **sole source** renewal option and amend a contract with the Foundation for Healthy Communities, Purchase Order #1034775, Vendor #154533-B001, 125 Airport Road, Concord, NH 03301, to continue to identify the needs, provide implementation, and evaluation of tasks to assist New Hampshire's 13 small rural hospitals with improving their telehealth and telemedicine capabilities, and improving quality performance through Lean or other quality improvement training and projects, by increasing the Price Limitation by \$224,940 from \$222,000 to an amount not to exceed \$446,940, and by extending the Completion Date from August 31, 2015 to August 31, 2017, effective September 1, 2015 or the date of Governor and Council approval, whichever is later. This agreement was originally approved by Governor and Council on September 3, 2014, Item #53. 100% Federal Funds.

Funding is available in the accounts listed below; pending legislative approval of the next biennial budget, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

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

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget	Increased (Decreased) Amount	Total Amount
2014	102-500731	Contracts for Prog Svc	90076001	92,500	0.00	92,500
2015	102-500731	Contracts for Prog Svc	90076001	111,000	0.00	111,000
2016	102-500731	Contracts for Prog Svc	90076001	18,500	93,857	112,357
2017	102-500731	Contracts for Prog Svc	90076001	0.00	112,357	112,357
2018	102-500731	Contracts for Prog Svc	90076001	0.00	18,726	18,726
			Total	\$222,000	\$224,940	\$446,940

## EXPLANATION

This a **sole source** request because the Foundation for Healthy Communities has unique qualifications and expertise to assist New Hampshire's 13 small rural hospitals. The Foundation for Healthy Communities currently coordinates the Critical Access Hospital Quality Improvement Network, which is comprised of the Quality Improvement managers of the 13 small rural hospitals, and regularly assesses needs and plans responses to those needs through these established relationships.

The purpose of this Agreement is to improve telemedicine and mobile health equipment capabilities in New Hampshire's 13 small rural hospitals, and improve quality performance through Lean or other quality improvement training and projects.

Telemedicine and mobile health have emerged in recent years as key areas for investment for rural hospitals, both to provide value to patients and maintain access for critical services. The Contractor will canvass the hospitals for their specific objectives on how telemedicine may be most effective, and also consult with the Center for Telehealth at Dartmouth Hitchcock Medical Center, the Northeast Telehealth Resource Center, and the Center for Rural Emergency Services and Trauma (CREST) at Dartmouth Hitchcock Medical Center. The results of these consultations will develop the plan for strategic investments in equipment to improve care.

Quality improvement has emerged as one of the most important aspects of not only clinical care, but also for changing reimbursement models. The Federal government is moving beyond financial incentives for quality care to financial penalties. With financial margins for the 13 Critical Access Hospitals being very small, they cannot afford reductions in reimbursements for care. The efficiency training objective will be addressed using Six Sigma or Lean to improve clinical care. With the ongoing need to improve quality of care with an eye toward value-based purchasing, the Department and the 13 Critical Access Hospitals will make some strategic investments in this area, with particular interest in clinical care delivery areas.

Should Governor and Executive Council not authorize this Request, advances in Telehealth and telemedicine that provide better access to care for rural citizens may be hindered; and the loss of further quality improvement training may affect rural hospitals' quality of care and financial viability.

As referenced in the Exhibit C-1 of the contract, the Department of Health and Human Services in its sole discretion may decide to offer a two (2) year extension of this competitively procured agreement, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council. The Department is exercising this option.

The Foundation for Healthy Communities has achieved the major deliverables expected to date regarding the training for implementation of ICD 10 codes (the new universal billing codes system which has vital implications for hospital revenue cycle management). Both hospital coders and the vast majority of physicians were provided training in this new coding system which will greatly help the formal conversion to this system in October of this year. The Foundation will continue to assist the 13 Critical Access Hospitals in funding priorities identified by the Federal funder as above, which will help them to continue to navigate the changes impacting them and the healthcare system.

The Contractor shall ensure that following performance measures are annually achieved and monitored monthly to measure the effectiveness of the agreement:

- 100% of the small rural hospitals will participate in needs assessments for:
  - Telehealth/telemedicine or mobile health equipment needs, and
  - Process improvement training/Lean needs.
- 75% of the small rural hospitals will participate in the assessment and implementation of the Telehealth/mobile health activities.
- 25% of the small rural hospitals will participate in the Lean or other recognized process improvement training programs.
- 90% of attendees that participate in the training will rate the activities as “excellent” or “very good” in an evaluation survey.

Area served: Statewide.

Source of Funds: 100% Federal Funds from the US Department of Health and Human Services, Health Resources and Services Administration.

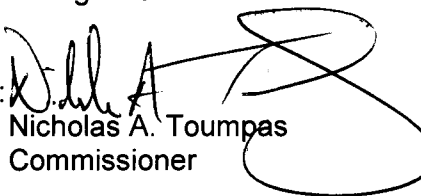
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Marcella J. Bobinsky, MPH  
Acting Director

Approved by:



Nicholas A. Toumpas  
Commissioner



**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 to the  
Small Rural Hospital Improvement Program**

This 1<sup>st</sup> Amendment to the Small Rural Hospital Improvement Program contract (hereinafter referred to as "Amendment One") dated this 30th day of June, 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 Foundation for Healthy Communities, (hereinafter referred to as "the Contractor"), a corporation with a place of business at 125 Airport Road, Concord, NH 03301.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 20, 2013, Item #53, 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, the State may modify the scope of work and the payment schedule of the contract by written agreement of the parties;

WHEREAS, the parties agree to extend the term of the agreement, increase the price limitation, and modify the scope of services to support continued delivery of these services, 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:

1. Amend Form P-37, Block 1.7, to read August 31, 2017.
2. Amend Form P-37, Block 1.8, to read \$446,940.
3. Amend Form P-37, Block 1.9, to read Eric Borrin, Director of Contracts and Procurement.
4. Amend Form P-37, Block 1.10 to read 603-271-9558.
5. Delete Exhibit A in its entirety and replace with Exhibit A Amendment #1
6. Amend Exhibit B to:
  - Add to paragraph 1 Funding Sources:
    - c) \$224,940 - 100% federal funds from the US Department of Health and Human Services, Health Resources and Services Administration, CFDA #93.301, Federal Award Identification Number (FAIN) H3HRH00028.
  - Delete paragraph 7 and replace with:
    - 7) Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers and Exhibit B-1 Budgets, within the price limitation, and to adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. Delete Exhibit C in its entirety and replace with Exhibit C Amendment #1.
8. Delete Exhibit G in its entirety and replace with Exhibit G Amendment #1.
9. Delete Exhibit I in its entirety and replace with Exhibit I Amendment #1.



10. Amend Budget to add:

- Exhibit B-1 Amendment #1 Budget SFY 2016
- Exhibit B-1 Amendment #1 Budget SFY 2017
- Exhibit B-1 Amendment #1 Budget SFY 2018

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,

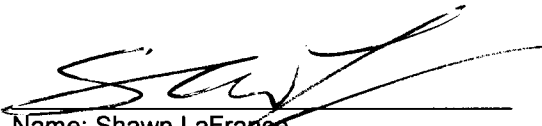
State of New Hampshire  
Department of Health and Human Services

7/10/15  
Date

  
\_\_\_\_\_  
Brook Dupee  
Bureau Chief

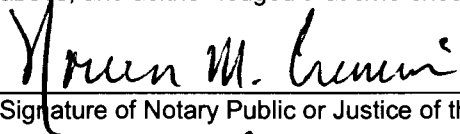
Foundation for Healthy Communities

July 1, 2015  
Date

  
\_\_\_\_\_  
Name: Shawn LaFrance  
Title: Executive Director

Acknowledgement:

State of NH, County of Memmack on July 1, 2015, 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

Noreen M. Cremin Program & Grants Manager  
\_\_\_\_\_  
Name and Title of Notary or Justice of the Peace

My Commission Expires: June 5, 2018



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.  
OFFICE OF THE ATTORNEY GENERAL

Date 7/21/15

Name: William A. J. Cole  
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: \_\_\_\_\_



## 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.

### 2. Scope of Services

The Contractor shall:

#### Telehealth and Mobile Clinical Health Care

- 2.1. Target 75% of funds toward Telehealth/telemedicine or mobile health equipment as one of the options indicated in the federal grant guidance to reduce distance barriers and improve patient access to quality health care closer to their home.
- 2.2. Survey all 13 Critical Access Hospitals (CAHs) for their specific objectives relevant to stroke care and their ideas on how telemedicine may be effective for those objectives.
- 2.3. Assess needs for telehealth programs and/or equipment among all 13 Critical Access Hospitals (CAHs).
  - 2.3.1. Develop assessment tools and/or processes to determine CAH needs by November 2015.
  - 2.3.2. Analyze responses and draft an action plan for review by the Rural Health Coalition by January 2016.
  - 2.3.3. Consult with the Center for Telehealth at Dartmouth Hitchcock Medical Center, the Northeast Telehealth Resource Center, and the Center for Rural Emergency Services and Trauma (CREST) at Dartmouth Hitchcock Medical Center as resources for assessment and action plan phases.
- 2.4. Develop and implement an Action Plan to provide technical assistance, training and/or equipment as indicated by the assessment and analysis.
  - 2.4.1. Provide draft of plan and options to the RHC by January 2016.
  - 2.4.2. Develop and implement an Action Plan by May 2016.

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Exhibit A Amendment #1

2.5. Facilitate the selection of subcontracts / subcontractors, as needed, to fulfill the action plan. Contractor/Subcontractor requirements are defined in Exhibit C, sub section 19. Subcontractors.

2.6. Evaluate the effectiveness of the plan.

2.6.1. Report on implementation to the NH Department of Health and Human Services (DHHS), Division of Public Health (DPHS, Rural Health and Primary Care (RHPC), State Office of Rural Health (SORH).

2.6.2. Develop and report on an evaluation plan on any equipment and training provided to CAHs.

**Process Improvement Training**

2.7. Target 25% of funds toward Process Improvement Training, such as Lean, to improve clinical care.

2.7.1. Assess needs for Lean or other process improvement training among CAHs.

2.7.1.1. Develop assessment tools and/or processes to determine CAH needs by November 2015.

2.7.1.2. Analyze responses and draft an action plan for review by the Rural Health Coalition (RHC) by January 2016.

2.7.1.3. Include multiple sites around the state as feasible.

2.7.2. Develop and implement an Action Plan to provide technical assistance and process improvement training, as indicated by the assessment and analysis.

2.7.2.1. Provide draft of plan and options to the RHC by January 2016.

2.7.2.2. Develop and Implement an Action Plan by May 2016

2.7.3. Facilitate the selection of subcontracts / subcontractors, as needed, to fulfill the action plan, if applicable. Contractor/Subcontractor requirements are defined in Exhibit C, sub section 19. Subcontractors.

2.7.4. Evaluate the effectiveness of the plan.

2.7.4.1. Report on implementation to the NH Department of Health and Human Services (DHHS), Division of Public Health (DPHS, Rural Health and Primary Care (RHPC), State Office of Rural Health (SORH).

2.7.4.2. Develop and report on an evaluation plan on the training provided to CAHs.

**3. Workplan**

3.1. The contractor will be required to provide a work plan that demonstrates their plan for the contract required activities. The work plan must be submitted within 30 days of the effective

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*7/1/15*





Exhibit A Amendment #1

date of the contract. The work plan will be used to assure progress towards meeting the performance measures and the overall program objectives and goals. At intervals specified by the Department of Health and Human Services (DHHS), the contractor will report on their progress towards meeting the performance measures, and overall program goals and objectives to demonstrate they have met the minimum required services for the proposal.

#### 4. Staffing

- 4.1. The Contractor shall maintain staffing to fulfill the roles and responsibilities to support activities of this project. The Contractor shall address the details to the following requirements to ensure adequate staffing is provided.
  - 4.1.1. Provide sufficient staff to perform all tasks specified in this contract. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion.
  - 4.1.2. The Contractor shall ensure that all staff has appropriate training, education, experience, and orientation to fulfill the requirements of the positions they hold and shall verify and document that it has met this requirement. This includes keeping up-to-date records and documentation of all individuals requiring licenses and/or certifications and such records shall be available for the Department of Health and Human Services' inspection.
  - 4.1.3. The Contractor shall develop a Staffing Contingency Plan, after receiving contract award, including but not limited to:
    - 4.1.3.1. The process for replacement of personnel in the event of loss of key personnel or other personnel before or after signing of the Agreement;
    - 4.1.3.2. Allocation of additional resources to the Agreement in the event of inability to meet any performance standard;
    - 4.1.3.3. Discussion of time frames necessary for obtaining replacements;
    - 4.1.3.4. Contractor's capabilities to provide, in a timely manner, replacement staff with comparable experience; and
    - 4.1.3.5. The method of bringing replacement staff up-to-date regarding the activities of this project.
  - 4.1.4. Include staffing models that will be used by the subcontractors, if applicable, as defined in Exhibit C, sub section 19. Subcontractors.

#### 5. Reporting

The Contractor shall:

- 5.1. Submit to the DHHS/DPHS State Office of Rural Health, the following data to monitor program performance:

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Exhibit A Amendment #1

- 5.1.1. Submit written semiannual progress reports within 30 days following the end of each six month period.
- 5.1.2. Submit written annual progress reports within 30 days following the end of each year.
- 5.1.3. The reports shall outline progress on all deliverables, goals, objectives, and performance measures, and define any problems with attaining desired results.
  - 5.1.3.1. Work completed during the past 6 months;
  - 5.1.3.2. Work in progress;
  - 5.1.3.3. Work plans for the upcoming 6 months, including challenges and/or barriers to completing requirements as described in this Exhibit A.
- 5.2. Submit a final, cumulative progress report on program activities and accomplishments (hospitals that participated, numbers of trainings, evaluation results, recommendations for improvements, etc.), within 30 days following the end of the contract term.

**6. Performance Indicators/Measures**

- 6.1. The Contractor shall ensure that following performance indicators are annually achieved and monitored monthly to measure the effectiveness of the agreement:
  - 6.1.1. 100% of the small rural hospitals will participate in needs assessments for:
    - 6.1.1.1. Telehealth/telemedicine or mobile health equipment needs, and
    - 6.1.1.2. Process improvement training/Lean needs.
  - 6.1.2. 75% of the small rural hospitals will participate in the assessment and implementation of the telehealth/mobile health activities.
  - 6.1.3. 25% of the small rural hospitals will participate in the Lean or other recognized process improvement training programs.
  - 6.1.4. 90% of attendees that participate in the training will rate the activities as "excellent" or "very good" in an evaluation survey.
- 6.2. Annually, the Contractor shall develop and submit to the DHHS, a corrective action plan for any performance measure that was not achieved.

Sez  
Date 7/1/15

**Exhibit B-1 (SFY 2016)  
Amendment #1 Budget Form**

**New Hampshire Department of Health and Human Services**

**Bidder/Contractor Name: FOUNDATION FOR HEALTHY COMMUNITIES**

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

**Budget Period: SFY 2016 (9/1/15 - 6/30/16)**

1. Total Salary/Wages	\$ 19,662.00	\$ -	\$ 19,662.00
2. Employee Benefits	\$ 7,690.75	\$ -	\$ 7,690.75
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ 125.54	\$ -	\$ 125.54
6. Travel	\$ 1,108.00	\$ -	\$ 1,108.00
7. Occupancy	\$ 358.74	\$ -	\$ 358.74
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ 316.60	\$ -	\$ 316.60
Postage	\$ 50.00	\$ -	\$ 50.00
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ 2,884.00	\$ -	\$ 2,884.00
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ 254.00	\$ -	\$ 254.00
12. Subcontracts/Agreements	\$ 52,500.00	\$ -	\$ 52,500.00
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
Meetings	\$ 375.00	\$ -	\$ 375.00
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Indirect	\$ -	\$ 8,532.37	\$ 8,532.37
	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 85,324.63</b>	<b>\$ 8,532.37</b>	<b>\$ 93,857.00</b>

Indirect: 10% corporation standard: support personnel and office support expenses associated with accounting, data analysis, communications, and administrative support.

**Indirect As A Percent of Direct**

**10.0%**

Exhibit B-1 - Budget

Contractor Initials:     SC    

Date:     7/1/15

**Exhibit B-1 (SFY 2017)  
Amendment #1 Budget Form**

**New Hampshire Department of Health and Human Services**

**Bidder/Contractor Name: FOUNDATION FOR HEALTHY COMMUNITIES**

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

**Budget Period: SFY 2017 (7/1/16 - 6/30/17)**

1. Total Salary/Wages	\$ 23,870.00	\$ -	\$ 23,870.00
2. Employee Benefits	\$ 9,747.98	\$ -	\$ 9,747.98
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ 151.00	\$ -	\$ 151.00
6. Travel	\$ 1,276.00	\$ -	\$ 1,276.00
7. Occupancy	\$ 430.49	\$ -	\$ 430.49
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ 380.67	\$ -	\$ 380.67
Postage	\$ 60.00	\$ -	\$ 60.00
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ 3,459.70	\$ -	\$ 3,459.70
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ 250.00	\$ -	\$ 250.00
12. Subcontracts/Agreements	\$ 62,142.00	\$ -	\$ 62,142.00
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
Meetings	\$ 375.00	\$ -	\$ 375.00
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Indirect	\$ -	\$ 10,214.16	\$ 10,214.16
	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 102,142.84</b>	<b>\$ 10,214.16</b>	<b>\$ 112,357.00</b>

Indirect: 10% corporation standard: support personnel and office support expenses associated with accounting, data analysis, communications, and administrative support.

**Indirect As A Percent of Direct**

10.0%

Exhibit B-1 - Budget

Contractor Initials: SA

Date: 7/1/15

**Exhibit B-1 (SFY 2018)  
Amendment #1 Budget Form**

**New Hampshire Department of Health and Human Services**

**Bidder/Contractor Name:** FOUNDATION FOR HEALTHY COMMUNITIES

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

**Budget Period:** SFY 2018 (7/1/17 - 8/31/17)

1. Total Salary/Wages	\$ 4,192.38	\$ -	\$ 4,192.38
2. Employee Benefits	\$ 1,798.66	\$ -	\$ 1,798.66
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ 25.11	\$ -	\$ 25.11
6. Travel	\$ 224.00	\$ -	\$ 224.00
7. Occupancy	\$ 71.75	\$ -	\$ 71.75
8. Current Expenses		\$ -	\$ -
Telephone	\$ 63.31	\$ -	\$ 63.31
Postage	\$ 10.00	\$ -	\$ 10.00
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ 586.62	\$ -	\$ 586.62
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ 10,000.00	\$ -	\$ 10,000.00
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
Meetings	\$ 50.00	\$ -	\$ 50.00
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Indirect	\$ -	\$ 1,704.17	\$ 1,704.17
	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 17,021.83</b>	<b>\$ 1,704.17</b>	<b>\$ 18,726.00</b>

Indirect: 10% corporation standard: support personnel and office support expenses associated with accounting, data analysis, communications, and administrative support.

Indirect As A Percent of Direct

10.0%

Exhibit B-1 - Budget

Contractor Initials: Shu



**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 EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP 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 EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP 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.



**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- Amendment #1

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

Contractor Initials

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Date

*7/1/15*

New Hampshire Department of Health and Human Services  
Exhibit G – Amendment #1



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: Foundation for Healthy Communities

July 1, 2015  
Date

  
Name: Shawn LaFrance  
Title: Executive Director

Exhibit G- Amendment #1

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

Contractor Initials



Date 7/1/15



**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.



Exhibit I Amendment #1

- 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 Amendment #1

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

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

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

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Exhibit I Amendment #1

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 Amendment #1

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 Amendment #1

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
The State

Brook Dupee  
Signature of Authorized Representative

Brook Dupee  
Name of Authorized Representative

Bureau Chief  
Title of Authorized Representative

7/10/15  
Date

Foundation for Healthy Communities  
Name of the Contractor

Shawn LaFrance  
Signature of Authorized Representative

Shawn LaFrance  
Name of Authorized Representative

Executive Director  
Title of Authorized Representative

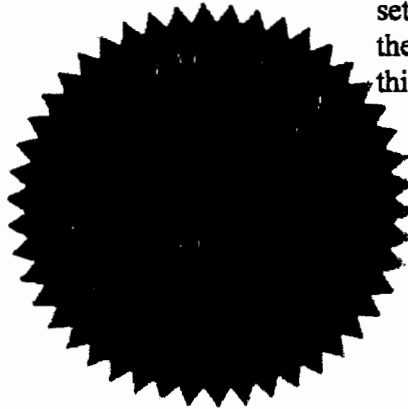
7/1/15  
Date

**State of New Hampshire**  
**Department of State**

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FOUNDATION FOR HEALTHY COMMUNITIES is a New Hampshire nonprofit corporation formed October 28, 1968. I further certify that it is in good standing as far as this office is concerned, having 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 7<sup>th</sup> day of May A.D. 2015



*William M. Gardner*

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE/AUTHORITY**

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

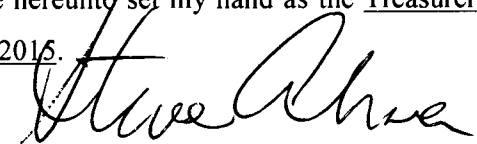
1. I am the duly elected Treasurer of the Foundation for Healthy Communities;
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Foundation Healthy Communities, duly held on October 15, 2009;

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

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

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of July 1, 2015.

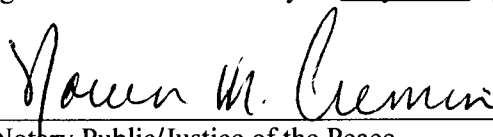
IN WITNESS WHEREOF, I have hereunto set my hand as the Treasurer of the Foundation for Healthy Communities this 1<sup>st</sup> day of July, 2015.

  
\_\_\_\_\_  
Steve Ahnen, Treasurer

STATE OF NH

COUNTY OF MERRIMACK

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of July, 2015 by Steve Ahnen.

  
\_\_\_\_\_  
Notary Public/Justice of the Peace  
My Commission Expires: July 1, 2015  
June 5, 2018

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

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

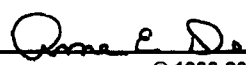
PRODUCER <b>HUB Healthcare Solutions</b> <b>HUB International New England</b> <b>299 Ballardvale Street</b> <b>Wilmington, MA 01887</b>	CONTACT NAME: <b>Melissa Gabis</b>
	PHONE (A/C, No, Ext): <b>508-303-9475</b> FAX (A/C, No): <b>508-303-9476</b> E-MAIL ADDRESS: <b>melissa.gabis@hubinternational.com</b>
INSURED <b>Foundation for Healthy Communities</b> <b>New Hampshire Hospital Assoc</b> <b>125 Airport Road</b> <b>Concord, NH 03301</b>	INSURER(S) AFFORDING COVERAGE INSURER A: <b>Hartford Casualty Ins Co</b>
	INSURER B: <b>Hartford Insurance Co</b>
	INSURER C: <b>Hanover Insurance Co.</b>
	INSURER D:
	INSURER E:
	INSURER F:

**COVERAGES      CERTIFICATE NUMBER:      REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			08SBAVW2923	06/22/2015	06/22/2016	EACH OCCURRENCE \$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$10,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$1,000,000
	<input type="checkbox"/> POLICY	<input type="checkbox"/> PROJECT	<input type="checkbox"/> LOC				GENERAL AGGREGATE \$2,000,000
C				LHNA02932000	06/22/2015	06/22/2016	PRODUCTS - COMP/OP AGG \$2,000,000
	AUTOMOBILE LIABILITY						D&O/EPL \$2,000,000
	ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$
	ALL OWNED AUTOS	<input type="checkbox"/>	SCHEDULED AUTOS				BODILY INJURY (Per person) \$
	HIRED AUTOS	<input type="checkbox"/>	NON-OWNED AUTOS				BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB			08SBAVW2923	06/22/2015	06/22/2016	EACH OCCURRENCE \$2,000,000
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE \$2,000,000
	<input checked="" type="checkbox"/> OCCUR						\$
	<input type="checkbox"/> CLAIMS-MADE						\$
	DED <input checked="" type="checkbox"/> RETENTION \$10000						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			08WECIV5293	06/22/2015	06/22/2016	WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input checked="" type="checkbox"/> Y <input checked="" type="checkbox"/> N	N/A				E.L. EACH ACCIDENT \$500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$500,000
							E.L. DISEASE - POLICY LIMIT \$500,000
A	Blanket Bldg &BPP			08SBAVW2923	06/22/2015	06/22/2016	\$1,939,000
	Bldg Max Limit						\$1,581,300

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

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



Foundation *for*  
Healthy Communities

**FINANCIAL STATEMENTS**

**December 31, 2014 and 2013**

**With Independent Auditor's Report**





## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Foundation for Healthy Communities

We have audited the accompanying financial statements of Foundation for Healthy Communities (the Foundation) which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

*BerryDunn McNeil & Parker, LLC*

Portland, Maine  
June 5, 2015

FOUNDATION FOR HEALTHY COMMUNITIES

Statements of Financial Position

December 31, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current assets		
Cash and cash equivalents	\$ 816,486	\$ 895,998
Accounts receivable	787,115	106,809
Due from affiliate	90,780	61,115
Prepaid expenses	<u>4,256</u>	<u>4,362</u>
Total current assets	<u>1,698,637</u>	<u>1,068,284</u>
Investments	<u>648,056</u>	<u>609,680</u>
Property and equipment		
Leasehold improvements	1,118	1,118
Equipment and furniture	<u>136,010</u>	<u>136,010</u>
	<u>137,128</u>	<u>137,128</u>
Less accumulated depreciation	<u>129,647</u>	<u>124,806</u>
Property and equipment, net	<u>7,481</u>	<u>12,322</u>
Total assets	<u>\$ 2,354,174</u>	<u>\$ 1,690,286</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 232,775	\$ 17,515
Accrued payroll and related amounts	51,573	81,507
Due to affiliate	49,190	38,151
Deferred revenue	<u>205,936</u>	<u>95,985</u>
Total current liabilities and total liabilities	<u>539,474</u>	<u>233,158</u>
Net assets		
Unrestricted	575,041	332,241
Temporarily restricted	<u>1,239,659</u>	<u>1,124,887</u>
Total net assets	<u>1,814,700</u>	<u>1,457,128</u>
Total liabilities and net assets	<u>\$ 2,354,174</u>	<u>\$ 1,690,286</u>

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



**FOUNDATION FOR HEALTHY COMMUNITIES**

**Statements of Activities**

**Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Revenues		
Foundation support	\$ 363,120	\$ 363,120
Program revenue	1,662,912	493,099
Seminars, meetings, and workshops	161,731	167,215
Interest and dividend income	15,189	10,693
Net assets released from restriction used for operations	<u>1,365,664</u>	<u>934,331</u>
Total revenues	<u>3,568,616</u>	<u>1,968,458</u>
Expenses		
Salaries and related payroll expenses	1,359,327	1,051,331
Other operating	137,232	130,712
Program expenses	1,663,366	627,451
Seminars, meetings, and workshops	182,418	142,937
Depreciation	<u>4,841</u>	<u>6,615</u>
Total expenses	<u>3,347,184</u>	<u>1,959,046</u>
Excess of revenues over expenses	221,432	9,412
Net realized and unrealized gain on investments	<u>21,368</u>	<u>82,531</u>
Increase in unrestricted net assets	<u>\$ 242,800</u>	<u>\$ 91,943</u>

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

**FOUNDATION FOR HEALTHY COMMUNITIES**

**Statements of Changes in Net Assets**

**Years Ended December 31, 2014 and 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Balance, January 1, 2013	\$ <u>240,298</u>	\$ <u>911,755</u>	\$ <u>1,152,053</u>
Excess of revenues over expenses	9,412	-	9,412
Net realized and unrealized gain on investments	82,531	-	82,531
Grants received	-	1,147,463	1,147,463
Net assets released from restriction used for operations	<u>-</u>	<u>(934,331)</u>	<u>(934,331)</u>
Change in net assets	<u>91,943</u>	<u>213,132</u>	<u>305,075</u>
Balance, December 31, 2013	<u>332,241</u>	<u>1,124,887</u>	<u>1,457,128</u>
Excess of revenues over expenses	221,432	-	221,432
Net realized and unrealized gain on investments	21,368	-	21,368
Grants received	-	1,480,436	1,480,436
Net assets released from restriction used for operations	<u>-</u>	<u>(1,365,664)</u>	<u>(1,365,664)</u>
Change in net assets	<u>242,800</u>	<u>114,772</u>	<u>357,572</u>
Balance, December 31, 2014	<u>\$ 575,041</u>	<u>\$ 1,239,659</u>	<u>\$ 1,814,700</u>

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

**FOUNDATION FOR HEALTHY COMMUNITIES**

**Statements of Cash Flows**

**Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in net assets	\$ 357,572	\$ 305,075
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	4,841	6,615
Net realized and unrealized gain on investments	(21,368)	(82,531)
(Increase) decrease in		
Accounts receivable	(680,306)	103,519
Prepaid expenses	106	208
Increase (decrease) in		
Accounts payable	215,260	(6,661)
Accrued payroll and related amounts	(29,934)	15,129
Due to/from affiliates	(18,626)	(33,917)
Deferred revenue	<u>109,951</u>	<u>64,736</u>
Net cash (used) provided by operating activities	<u>(62,504)</u>	<u>372,173</u>
Cash flows from investing activities		
Purchases of equipment	-	(5,397)
Purchases of investments	(162,654)	(410,501)
Proceeds from sale of investments	<u>145,646</u>	<u>449,350</u>
Net cash (used) provided by investing activities	<u>(17,008)</u>	<u>33,452</u>
Net (decrease) increase in cash and cash equivalents	(79,512)	405,625
Cash and cash equivalents, beginning of year	<u>895,998</u>	<u>490,373</u>
Cash and cash equivalents, end of year	<u>\$ 816,486</u>	<u>\$ 895,998</u>

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

# FOUNDATION FOR HEALTHY COMMUNITIES

## Notes to Financial Statements

December 31, 2014 and 2013

### Organization

Foundation for Healthy Communities (the Foundation) was organized to conduct various activities relating to health care delivery process improvement, health policy, and the creation of healthy communities. The Foundation is controlled by New Hampshire Hospital Association (the Association) whose purpose is to assist its members in improving the health status of the people receiving health care in New Hampshire.

### 1. Summary of Significant Accounting Policies

#### 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.

#### Cash and Cash Equivalents

For purposes of reporting in the statements of cash flows, the Foundation considers all bank deposits with an original maturity of three months or less to be cash equivalents.

#### Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes all accounts receivable are collectible. Credit is extended without collateral.

#### Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Interest and dividends are included in the excess of expenses over revenues unless they are restricted by donor or law. Realized and unrealized gains and losses on investments are excluded from the excess of revenues over expenses.

Investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and activities.

# FOUNDATION FOR HEALTHY COMMUNITIES

## Notes to Financial Statements

December 31, 2014 and 2013

### **Property and Equipment**

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of each class of depreciable asset and is computed using the straight-line method.

### **Employee Fringe Benefits**

The Foundation has an "earned time" plan under which each employee earns paid leave for each period worked. These hours of paid leave may be used for vacation or illnesses. Hours earned but not used are vested with the employee and may not exceed 30 days at year end. The Foundation accrues a liability for such paid leave as it is earned.

### **Revenue Recognition**

Grants awarded in advance of expenditures are reported as temporarily restricted support if they are received with stipulations that limit the use of the grant funds. When a grant restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as "net assets released from restriction."

Grant funds conditional upon submission of documentation of qualifying expenditures or matching requirements are deemed to be earned and reported as revenues when the Foundation has met the grant conditions.

The amount of such funds the Foundation will ultimately receive depends on the actual scope of each program, as well as the availability of funds and, accordingly, is not reasonably determinable. The ultimate disposition of grant funds is subject to audit by the awarding agencies.

Resources received from service beneficiaries for specific projects, programs, or activities that have not yet taken place are recognized as deferred revenue to the extent that the earnings process has not been completed.

Contributions of long-lived assets are reported as unrestricted support unless donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

# FOUNDATION FOR HEALTHY COMMUNITIES

## Notes to Financial Statements

December 31, 2014 and 2013

### Excess of Revenues over Expenses

The statements of activities include excess of revenues over expenses. Changes in unrestricted net assets that are excluded from this measure, consistent with industry practice, include realized and unrealized gains and losses on investments.

### Income Taxes

The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

### Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. generally accepted accounting principles, the Foundation has considered transactions or events occurring through June 5, 2015, which was the date that the financial statements were available to be issued.

## 2. Investments

The composition of investments as of December 31, 2014 and 2013 is set forth in the following table. Investments are stated at fair value.

	<u>2014</u>	<u>2013</u>
Marketable equity securities	\$ 268,307	\$ 255,481
Mutual funds		
Marketable equity securities	170,067	144,498
Fixed income securities	<u>209,682</u>	<u>209,701</u>
	<u>\$ 648,056</u>	<u>\$ 609,680</u>

## 3. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$1,239,659 and \$1,124,887 consisted of specific grant programs as of December 31, 2014 and 2013, respectively. The grant programs relate to improvements to access and the delivery of health care services to support for the production and distribution of educational materials.

# FOUNDATION FOR HEALTHY COMMUNITIES

## Notes to Financial Statements

December 31, 2014 and 2013

### 4. Related Party Transactions

The Foundation leases space from the Association. Rental expense under this lease for the years ended December 31, 2014 and 2013 was \$46,662 and \$46,608, respectively.

The Association provides various accounting, public relation and janitorial services to the Foundation. The amount expensed for these services in 2014 and 2013 was \$111,180 and \$103,761, respectively. In addition, the Association bills the Foundation for its allocation of shared costs. As of December 31, 2014 and 2013, the Foundation owed the Association \$49,190 and \$38,151, respectively, for services and products provided by the Association.

The Association owed the Foundation \$90,780 and \$61,115 as of December 31, 2014 and 2013, respectively, for services provided to the Association.

### 5. Retirement Plan

The Foundation has a 401(k) profit-sharing plan that covers substantially all employees and allows for employee contributions of up to the maximum allowed under Internal Revenue Service regulations. Employer contributions are discretionary and are determined annually by the Foundation. Retirement plan expense for 2014 and 2013 was \$43,351 and \$35,958, respectively.

### 6. Functional Expenses

Expenses related to services provided for the public interest are as follows:

	<u>2014</u>	<u>2013</u>
Program services	\$ 3,222,693	\$ 1,837,737
General and administrative	<u>124,491</u>	<u>121,309</u>
	<u>\$ 3,347,184</u>	<u>\$ 1,959,046</u>

### 7. Concentrations of Credit Risk

The Foundation's total cash deposits from time-to-time exceed the federally insured limit. The Foundation has not incurred any losses and does not expect any in the future.

### 8. Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Title 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with U.S. generally accepted accounting principles, and expands disclosures about fair value measurements.

## **FOUNDATION FOR HEALTHY COMMUNITIES**

### **Notes to Financial Statements**

**December 31, 2014 and 2013**

FASB ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Foundation's investments are measured at fair value on a recurring basis and are considered Level 1.





Foundation for  
Healthy Communities

## 2015 - BOARD OF TRUSTEES

Scott McKinnon <b>CHAIR</b>	President/CEO, The Memorial Hospital, North Conway
Mary DeVeau <b>VICE CHAIR</b>	President and CEO, Concord Regional Visiting Nurse Association
Stephen Ahnen <b>SECRETARY/TREASURER</b>	President, NHHA
Shawn LaFrance <i>ex officio</i>	Executive Director, FHC
Chris Accashian	CEO, Parkland Medical Center, Derry
George Blike, MD	Chief Quality and Value Officer, Dartmouth-Hitchcock, Lebanon
William Brewster, MD	Medical Director, Harvard Pilgrim Health Care, Manchester
Corin Dechirico, DO	Associate Chief Medical Officer, Southern NH Medical Center, Nashua
Robert Duhaime, RN	VP, Operations, Catholic Medical Center, Manchester
Peter J. Evers	President/CEO, Riverbend Community Mental Health Center
Mary Ellen Fleegeer, PhD, RN	Professor of Nursing, Keene State College
Paul Gardent	Faculty, Dartmouth Institute & Tuck School of Business, Hanover
Richard Lafleur, MD - <b>IPC</b>	Medical Director, Anthem BC/BS of NH, Manchester
Michelle McEwen	President/CEO, Spears Memorial Hospital, Plymouth
Arthur Nichols	President, Cheshire Medical Center, Keene
Arthur O'Leary	Regional VP of Operations, Genesis HealthCare, Concord
Helen C. Pervanas, PharmD	Assistant Professor of Pharmacy Practice, Mass. College of Pharmacy and Health Sciences, Manchester
Lick Phelps, MD	
John F. Robb, MD	Director, Interventional Cardiology at Mary Hitchcock Memorial Hospital, Lebanon
Maria Ryan, PhD, APRN	CEO, Cottage Hospital, Woodsville
Katherine Ryer	Director, NH Citizens Health Initiative/University of New Hampshire, Concord
Keith Shute, MD	Chief Medical Officer & Senior Vice President, Androscoggin Valley Hospital, Berlin
Helen Taft	Executive Director, Families First, Portsmouth
Trinidad Tellez, MD	Director, Office of Minority Health and Refugee Affairs, NH Department of Health and Human Services
Gregory Walker	President/CEO, Wentworth-Douglas Hospital, Dover

New members in 2015

January 2015

# GREGORY J. VASSE

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

## CAREER EXPERIENCE

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

## EDUCATION

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

## VOLUNTEER POSITIONS

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

## MILITARY SERVICE

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

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

**NOREEN M. CREMIN**  
125 Airport Road  
Concord, New Hampshire 03301  
[ncremin@healthynh.com](mailto:ncremin@healthynh.com)  
(603) 415-4275

---

**EXPERIENCE:**

Sept. 2011 – present

Program and Grants Manager – Full Time

*Foundation for Healthy Communities, 125 Airport Road, Concord, NH*

Assists in the preparation of grant and contract proposals, tracks status of pending and awarded grants, and assists with project reports. Responsible for monitoring active funds for budgetary compliance, preparing financial statements and drafting detailed budgets.

Jan. 2007 – March 2011

Office Manager – Full Time

*New Futures, Inc., 10 Ferry Street, Suite 307, Concord, NH*

Successfully managed office systems and support staff, vendors, coordinated employee benefits and human resources. Responsible for agency budget development and monthly oversight, fiscal management of accounts, payroll processing, website management, computer and server maintenance, monthly electronic newsletter, and balanced scorecard software updating. Coordinated yearly audits and tax documents. Responsible for grant related reports and financial documentation. Continued with many of the responsibilities listed in previous position.

Aug. 2001 – Dec. 2006

Program Support Associate – Full Time

*New Futures, Inc., 10 Ferry Street, Suite 307, Concord, NH*

Provided full administrative support for New Futures staff as well as the Community Leadership Initiative Program. Developed and implemented computer protocols, troubleshoot and maintain technology systems for main and satellite office. Provided Human Resource support, tracking benefits and payroll. Established protocol and maintain multiple databases of contacts for mass mailings, formatted PowerPoint presentations and handouts, tracked inventory of resource materials, and planned and organized events and meetings.

Jan. 1995 – June 2001

Administrative Assistant – Full Time

*Casey Family Services, New Hampshire Division – Concord, NH*

Provided full administrative support for 11 individuals, including word processing, maintaining client records, entering data, scheduling meetings, dictation, research on the Internet, answer multi-line phone, inventory control and office product ordering. Responsible for creating and maintaining master mailing list for mass mailings, annual releases and newsletter mailings in Access. Created a master forms book, filing system, maintain forms, and originated new forms on computer. Presented a workshop on computers and the Internet during agency wide biennial Foster Parent Conference in Boston, Massachusetts.

Jan. 1994 – Jan. 1995

Office Manager – Full Time

***Community Chiropractic & Wellness Center, Concord, NH***

Provided administrative support, assisted patients with therapy, explained to new patients the philosophy and process of chiropractic care, scheduled appointments, generated correspondence as necessary, processed billing for insurance, and filing of patient records.

May 1990 – Nov. 1993

Program Manager – Full Time

***Residential Resources, Inc., Salem, NH***

Certification and licensing of home according to state DMH/DS regulations and other related administrative duties. Responsible for the fiscal management of the house budget of \$300,000.00. Evaluations, supervision and hiring of staff of 20. Liaison for agency between resident, family and ancillary services. Responsible for quality implementation, review of resident ISPs. Implemented and familiar with behavior modification programs/theory. Interim Manager for a second program for a period of four months, twice, April – July 1992 and June – September 1993. Involved in program downsizing from two staffed apartments to two ISO models. Managed in house Day Program. Available by beeper 24 hours a day providing crisis management/support to staff and program. Also continued with many of the responsibilities held as Residential Educator whenever working relief/direct care (see job description below).

Oct. 1989 – May 1990

Residential Educator – Full Time

***Residential Resources, Inc., Salem, NH***

Assisted developmentally disabled adults with daily living skills in community based group home. Development and implementation of client ISPs, recording of progress notes, log, data instructional programs and administering of medication. Rotated “on call” crisis scheduling, problem solving/analyzing, providing back up to staff and managing house funds.

EDUCATION:

**Bachelor of Science, Accounting**

**Capella University**

Currently enrolled, credits transferred from UNH.

**Bachelor of Arts, Psychology**

**Minor: Education**

*(Status – Senior level, 4 courses shy of completion)*

University of New Hampshire, Durham, NH

SOFTWARE USED:

Microsoft Office Professional, QuickBooks, Visio, Mozilla Firefox and Internet Explorer, Balanced Scorecard Software

QUALIFICATIONS:

Trainings on Microsoft Office –

(Word, Excel, Access, PowerPoint, Publisher)

LEAN training

QuickBooks Training

Nonprofit Management Training Troubleshooting

& Maintaining PCs Supervision/Management

Training in specific areas Notary Public,

Commission expires 6/5/2018

# KEY ADMINISTRATIVE PERSONNEL

## NH Department of Health and Human Services

Contractor Name: FOUNDATION FOR HEALTHY COMMUNITIES

Name of Program: Small Hospital Improvement Plan

Greg Vasse	Director, Rural QIN	\$79,207	20.00%
Noreen M. Cremin	Program & Grants Manager	\$38,206	10.00%
		\$0	0.00%
		\$0	0.00%
		\$0	0.00%
		\$0	0.00%
<b>TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)</b>			

Greg Vasse	Director, Rural QIN	\$96,158	20.00%
Noreen M. Cremin	Program & Grants Manager	\$46,383	10.00%
		\$0	0.00%
		\$0	0.00%
		\$0	0.00%
		\$0	0.00%
<b>TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)</b>			

Greg Vasse	Director, Rural QIN	\$16,889	20.00%
Noreen M. Cremin	Program & Grants Manager	\$8,146	10.00%
		\$0	0.00%
		\$0	0.00%
		\$0	0.00%
		\$0	0.00%
<b>TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)</b>			

*Handwritten initials and a circled '2013'*

*MTT 53*



Nicholas A. Toumpas  
Commissioner

José Thier Montero  
Director

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527  
603-271-2286 1-800-852-3345 Ext. 2286  
Fax: 603-271-4506 TDD Access: 1-800-735-2964



G&C Approval Date: 12/20/2013  
G&C Item #: 53

December 2, 2013

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

SOLE SOURCE

**REQUESTED ACTION**

*100% federal funds*

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

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

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

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

### EXPLANATION

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

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

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

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

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

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

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

**Performance Measures**

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

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

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

The area served is Statewide.

The source of Funds is 100% Federal Funds.

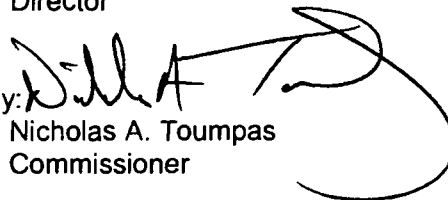
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD, MHCDS  
Director

Approved by:



Nicholas A. Toumpas  
Commissioner



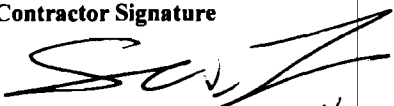
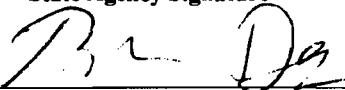
Subject: Small Hospital Improvement Plan

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

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



## Exhibit A

### Scope of Services

#### The Contractor shall:

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

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

#### A. Required Activities/Deliverables:

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



## Exhibit A

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### B. Reporting and Performance Measures:

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

### C. Performance Measures:

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



**Exhibit B**

**Method and Conditions Precedent to Payment**

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

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

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



**Exhibit B**

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

Contractor Initials: SC  
Date: 11/12/13

NH Department of Health and Human Services

Exhibit C

**SPECIAL PROVISIONS**

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

Contractor Initials: SLW

Date: 11/12/13

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

#### **SPECIAL PROVISIONS – DEFINITIONS**

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

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

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

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

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

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

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

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

NH Department of Health and Human Services

Exhibit C-1

**ADDITIONAL SPECIAL PROVISIONS**

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

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

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

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

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

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

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

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

**4. Extension:**

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

Contractor Initials: SOB  
Date: 11/12/13

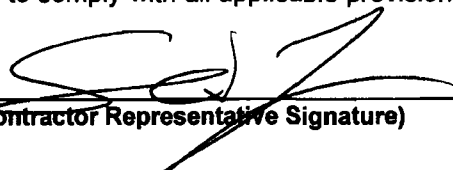
NH Department of Health and Human Services

Standard Exhibit G

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

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

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

  
(Contractor Representative Signature)      SHAWN LAPRACO EXECUTIVE DIRECTOR  
(Authorized Contractor Representative Name & Title)

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

NH Department of Health and Human Services

STANDARD EXHIBIT I

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

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

**BUSINESS ASSOCIATE AGREEMENT**

(1) **Definitions.**

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

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

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

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

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

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

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

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

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

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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



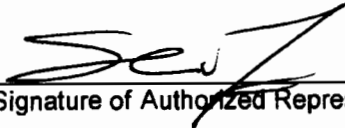
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination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

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

DIVISION OF PUBLIC HEALTH SERVICES  
The State Agency Name

FOUNDATION FOR HEALTHY COMMUNITIES  
Name of Contractor

  
Signature of Authorized Representative

  
Signature of Authorized Representative

BROOK DUPEE  
Name of Authorized Representative

SHAWN V. LAFRANCE  
Name of Authorized Representative

BUREAU CHIEF  
Title of Authorized Representative

Executive Director  
Title of Authorized Representative

12/4/13  
Date

11/12/13  
Date