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

Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

105 PLEASANT STREET, CONCORD, NH 03301
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November 14, 2018

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, Bureau of Drug and Alcohol Services, to enter into agreements with the vendors listed below, to provide comprehensive Medication Assisted Treatment, in an amount not to exceed $1,125,710, effective upon Governor and Executive Council approval through September 29, 2020. 100% Federal Funds.

Vendor Name	Vendor ID	Vendor Address	Amount
Harbor Homes, Inc.	155358	77 Northeastern Blvd, Nashua, NH 03062	$271,428
LRGHealthcare	177161	80 Highland St. Laconia, NH 003246	$271,428
Mary Hitchcock Memorial Hospital	177651	One Medical Center Drive Lebanon, NH 03756	$311,426
Riverbend Community Mental Health, Inc.	177192	278 Pleasant Street, Concord, NH 03302	$271,428
		Total	**$1,125,710**

Funds are available in the following account for State Fiscal Year (SFY) 2019, and are anticipated to be available in SFY 2020 and SFY 2021, upon the availability and continued appropriation of funds in the future operating budgets, 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.

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT.

SFY	Class/ Account	Class Title	Job Number	Total Amount
2019	102-500731	Contracts for Program Services	92057040	$562,627
2020	102-500731	Contracts for Program Services	92057040	$563,083
			Total	**$1,125,710**

EXPLANATION

The purpose of this request is for the provision of comprehensive Medication Assisted Treatment (MAT) using FDA-approved medications for individuals with Opioid Use Disorder (OUD) who require community-based services. These agreements also ensure the provision of services specifically designed for pregnant and postpartum women with OUD. There is an additional agreement that will be put forth at a later date.

These services are part of the State's accepted plan to the Substance Abuse and Mental Health Services Administration (SAMHSA) under the State Opioid Response (SOR) grant. This grant is being used to make critical investments in the substance use disorder system in order to reduce unmet treatment needs, reduce opioid overdose fatalities, and increase access to MAT over the next two (2) years.

The vendors will provide services to individuals with OUD in need of evidence-based MAT alongside necessary outpatient and wrap around services to support recovery. Vendors will provide MAT services to the general population as well as enhanced services for pregnant and postpartum women in need of additional supports to be successful in recovery including, but not limited to childcare, transportation and parenting education.

Unique to these services is a robust level of client-specific data that will be available, which will be collected in coordination with the nine (9) Regional Hubs that were approved by Governor and Executive Council at the October 31, 2018 meeting. The SOR grant requires that all individuals served receive a comprehensive assessment at several time intervals, specifically at intake, three (3) months, six (6) months and upon discharge. Through collaborative agreements with the Vendors under these contracts, the Regional Hubs will be responsible for gathering data on client-related outcomes including, but not limited to recovery status, criminal justice involvement, employment, and housing needs at the time intervals listed

above. This data will enable the Department to measure short and long-term outcomes associated with SOR-funded initiatives and to determine which programs are generating the best results for the clients served.

In addition to the client-level outcomes noted above, the following performance measures will be used to measure the effectiveness of the agreement:

- Fifty percent (50%) of individuals with OUD referred to the Vendor for MAT services receive at least three (3) clinically-appropriate, MAT-related services.
- One hundred percent (100%) of clients seeking services under this proposed contract that enter care directly through the Vendor, who consent to information sharing with the Regional Hub for OUD services, receive a Hub referral for ongoing care coordination.
- One hundred percent (100%) of clients referred to the Vendor by the Regional Hub for OUD services have proper consents in place for transfer of information for the purposes of data collection between the Hub and the Vendor.

A Request for Proposals was posted on The Department of Health and Human Services' web site from September 5, 2018 through September 26, 2018. The Department received six (6) proposals. The proposals were reviewed and scored by a team of individuals with program specific knowledge. The review included a thorough discussion of the strengths and weaknesses of the proposals/applications. The four (4) vendors listed in the Requested Action as well as Elliot Hospital who will be submitted at a later date were selected. The Score Summary is attached.

As referenced in the Request for Proposals and in Exhibit C-1 of these contracts, these agreements have the option to extend for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.

Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

Should the Governor and Executive Council not authorize this request, individuals with OUD in need of MAT and additional supports may have reduced access to services or increased likelihood of having to be placed on a waitlist to access care. This may result in a an increase of overdose fatalities during the waiting period and/or reduced motivation to seek help if it is unavailable to individuals when they are ready to seek assistance for OUD.

Area served: Integrated Delivery Network (IDN) Regions 1-5

Source of Funds: 100% Federal Funds from the Substance Abuse and Mental Health Services Administration, State Opioid Response Grant, (CFDA #93.788, FAIN TI081685)

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

Respectfully submitted,

Katja S. Fox
Director

Approved by:
Jeffrey A. Meyers
Commissioner

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: BEHAVIORAL HEALTH DIV OF, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT			
100% Federal Funds			
Activity Code: 92057040			
Harbor Homes			
Vendor # 155358			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -
		Subtotal	**$ 271,428.00**
LRG Healthcare			
Vendor # 177161			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	$ -
		Subtotal	**$ 271,428.00**
Mary Hitchcock			
Vendor # 177651			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 155,485.00
2020	Contracts for Prog Svs	102-500731	$ 155,941.00
2021	Contracts for Prog Svs	102-500731	$ -
		Subtotal	**$ 311,426.00**
Riverbend Community Mental Health			
Vendor # 177192			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 135,714.00
2020	Contracts for Prog Svs	102-500731	$ 135,714.00
2021	Contracts for Prog Svs	102-500731	
		Subtotal	**$ 271,428.00**
		TOTAL	**$ 1,125,710.00**

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

Medication Assisted Treatment
RFP Name

RFP-2019-BDAS-05-MEDIC
RFP Number

Bidder Name	Pass/Fail	Maximum Points	Actual Points
1. Elliot Health System		610	499
2. Harbor Homes, Inc.		610	501
3. LRGHealthcare		610	450
4. Mary Hitchcock Memorial Hospital		610	393
5. New Approaches, Inc.		610	132
6. Riverbend CMH, Inc.		610	477

Reviewer Names

1. Abby Shockley, Snr Policy Analyst, Substnc Use Srvs DBH
2. Regina Flynn, MAT-PDOA Project Coordinator, BDAS
3. Ann Collins, RN Public Health Nurse Coordnatr, BCHS-DPHS
4. Laurie Heath, Business Admin III, DBH/BDAS Finance
5.
6.
7.
8.

Subject: Medication Assisted Treatment (RFP-2019-BDAS-05-MEDIC-02)

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

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Harbor Homes, Inc.		1.4 Contractor Address 77 Northeastern Blvd. Nashua, NH 03062	
1.5 Contractor Phone Number. 603-882-3616	1.6 Account Number 05-95-92-920510-7040 – 500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $271,428
1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Peter Kelleher President & CEO	

1.13 Acknowledgement: State of New Hampshire, County of Hillsborough

On 11/14/18, 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]

1.13.2 Name and Title of Notary or Justice of the Peace

WILLIAM C. MARTIN
Justice of the Peace - New Hampshire
My Commission Expires November 4, 2020

1.14 State Agency Signature Date: 11/15/18	1.15 Name and Title of State Agency Signatory Christine S Fox, Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: On: 11/16/2018

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

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

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials PK
Date 11/14/18

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

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

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

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

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

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14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

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

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

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

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

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

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

Contractor Initials PL
Date 11/14/18

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

2. Scope of Work – Community Based

2.1. The Contractor shall provide comprehensive MAT services for individuals with opioid use disorder in the Integrated Delivery Network (IDN) Region 3, which is comprised of the Greater Nashua Area. The Contractor shall ensure services include, but are not limited to:

2.1.1. Delivering outpatient or intensive outpatient treatment to individuals with Opioid Use Disorder (OUD) in accordance with the American Society of Addiction Medicine (ASAM) criteria.

2.1.2. Providing MAT services to clients receiving high or low intensity residential care at Keystone Hall and the Cynthia Day Family Center.

2.1.3. Utilizing a Nurse Care Manager model and shared care teams comprised of:

2.1.3.1. Licensed clinicians.

2.1.3.2. A MAT provider.

2.1.3.3. Peers.

2.1.3.4. Nurse care manager.

2.1.4. Ensuring patients have access to a full array of recovery support services (RSS) during their residential treatment and post-discharge, through case

management in collaboration and coordination with the patient's Regional Hub for OUD services (hereafter referred to as "Hub").

2.1.5. Continuing to provide patients with MAT and care coordination through Harbor Homes and/or Keystone Hall, in collaboration and coordination with the patient's Hub, upon discharge from Keystone's residential programming, for ongoing patient needs.

2.1.6. Ensuring patient access to ongoing services and relapse prevention including, but not limited to:

2.1.6.1. Outpatient (OP) services.

2.1.6.2. Intensive outpatient (IOP) services.

2.1.6.3. Partial hospitalization program (PHP) services.

2.1.6.4. Primary care services.

2.1.6.5. Psychiatric and behavioral health care.

2.1.6.6. Oral health care.

2.1.6.7. Transportation.

2.1.6.8. Housing.

2.1.6.9. Insurance.

2.1.6.10. Benefit enrollment.

2.1.7. Providing education to prevent opioid overdoses for patients, providers, and family/friends.

2.2. The Contractor shall accept referrals for individuals in need of MAT who are exiting NH's correctional facilities.

2.3. The Contractor shall be a certified Opioid Treatment Program in accordance with He-A 304 if methadone is used for patients served under this contract.

2.4. The Contractor shall ensure patient-centered care and attention to overdose prevention by using tools which include, but are not limited to:

2.4.1. Center for Disease Control (CDC) opioid prescribing guidelines.

2.4.2. Substance Abuse and Mental Health Services Administration's (SAMHSA's) Opioid Overdose Prevention Toolkit.

2.4.3. State published Guidance Document on Best Practices: Key Components for Delivering Community Based Medication Assisted Treatment Services for Opioid Use Disorders in New Hampshire.

2.5. The Contractor shall provide OUD treatment services that support the Resiliency and Recovery Oriented Systems of Care (RROSC) by operationalizing the

Continuum of Care Model. (More information can be found at: http://www.dhhs.nh.gov/dcbcs/bdas/continuum-of-care.htm).

2.6. The Contractor shall provide interim OUD treatment services when the needed treatment services are not available to the client within forty-eight (48) hours of referral. Interim services shall include:

2.6.1. At least one sixty (60) minute individual or group outpatient session per week.

2.6.2. RSS as needed by the client.

2.6.3. Daily calls to the client to assess and respond to any emergent needs.

2.7. The Contractor shall ensure that clients are able to move seamlessly between levels of care within a group of services. At a minimum, the Contractor must:

2.7.1. Collaborate with the Continuum of Care Facilitator(s) in the development of a resiliency and recovery oriented system of care (RROSC) in the region(s) served.

2.7.2. Participate in the Regional Continuum of Care Workgroup(s).

2.7.3. Participate in the Integrated Delivery Network(s) (IDNs).

2.7.4. Coordinate all services delivered to clients with the local Hub.

2.7.5. Accept clinical evaluation results for level of care placement from the Hub upon referral of a client or upon intake in order to ensure that clients are not over-evaluated.

2.7.6. Update the level of care determination as necessary based on clients' needs and clinical appropriateness.

2.8. Before disclosing or re-disclosing any patient information, the Contractor shall ensure that all required patient consent or authorizations to disclose or further disclose confidential protected health information (PHI) or substance use disorder treatment information (SUD) according to all state rule, state and federal law and the special rules for redisclosure in 42 CFR part 2 have been obtained.

2.9. The Contractor shall modify their office electronic health record (EHR) and clinical work flow to ensure required screening activities by clinical staff and appropriate required data collection by care coordinators.

2.10. The Contractor shall establish and maintain formal and effective partnerships with behavioral health, OUD specialty treatment, and RSS, and medical practitioners to meet the needs of the patients served.

2.11. The Contractor shall collaborate and develop formal referral and information sharing agreements with other providers that offer services to individuals with OUD, including the local Hub.

2.12. The Contractor shall communicate client needs with the Hub(s) to ensure client access to financial assistance through flexible needs funds managed by the Hub(s).

2.13. The Contractor shall maintain the infrastructure necessary to:

2.13.1. Achieve the goals of MAT expansion.

2.13.2. Meet SAMHSA requirements.

2.13.3. Deliver effective medical care to patients served under this contract.

2.14. The Contractor shall actively participate in state-funded projects which include, but are not limited to:

2.14.1. "Community of Practice for MAT."

2.14.2. Project-specific trainings.

2.14.3. Quarterly web-based discussions.

2.14.4. On-site Technical Assistance (TA) visits.

2.14.5. Ad hoc communication with expert consultants on MAT clinical care topics such as Hepatitis C Virus (HCV) and Human Immunodeficiency Virus (HIV) prevention, diversion risk mitigation and other relevant issues.

2.15. The Contractor shall ensure compliance with confidentiality requirements which include, but are not limited to:

2.15.1. Federal and state laws and New Hampshire state administrative rules.

2.15.2. HIPAA Privacy Rule.

2.15.3. 42 C.F.R Part 2.

2.16. The Contractor shall have policies and procedures in place to ensure that all staff are trained in the areas listed in Subsection 2.15 and will safeguard all confidential information.

2.17. The Contractor shall participate in all evaluation activities associated with the funding opportunity, including national evaluations.

2.18. The Contractor shall use data to support quality improvement to ensure the standard of care for clients continuously improves.

2.19. The Contractor shall utilize the State's Prescription Drug Monitoring Program (PDMP) database to mitigate prescription drug diversion or harmful interactions.

2.20. The Contractor shall develop, obtain Department approval, and implement outreach and marketing activities specifically designed to engage the population(s) identified in the community using MAT and wrap around services that are culturally appropriate and follow Culturally and Linguistically Appropriate Standards (CLAS) standards.

2.21. The Contractor shall assess, plan, implement, and have improvement measures for the program.

2.22. The Contractor shall ensure meaningful input of consumers/patients in program assessment, planning, implementation, and improvement which includes, but is not limited to:

2.22.1. Utilizing a MAT-specific patient survey that is anonymous and given to all patients quarterly.

2.22.2. Periodically engaging current and former patients, face-to-face, in small focus groups to receive input on the Contractor's MAT program and related services.

2.23. The Contractor shall have billing capabilities for clinical services provided which include, but are not limited to:

2.23.1. Enrolling with Medicaid and other third party payers.

2.23.2. Contracting with managed care organizations and insurance companies for MAT.

2.23.3. Having a proper understanding of the hierarchy of the billing process.

2.24. The Contractor shall assist patients with obtaining either on-site or off-site RSSs including, but not limited to:

2.24.1. Transportation.

2.24.2. Childcare.

2.24.3. Peer support groups.

2.24.4. Recovery coach.

2.25. The Contractor shall establish agreements with specialty treatment organizations that can provide higher levels of OUD treatment and co-occurring mental health treatment.

2.26. If training or other services on behalf of the Department involve the use of social media or a website which solicits information of individuals, the Contractor shall collaborate with the DHHS Communications Bureau to ensure that NH DoIT website requirements are met, and that any Protected Health Information (PHI), Substance Use Disorder treatment data (SUD), Personal Information (PI), or other confidential information solicited shall not be maintained, stored or captured and shall not be further disclosed except as expressly provided in the contract.

2.27. Unless specifically required by the contract and unless clear notice is provided to users of the website or social media, the Contractor shall ensure that site visitation will not be tracked, disclosed or used for website or social media analytics or marketing.

2.28. The Contractor shall ensure that Keystone Hall revises its intake paperwork to include specific MAT related questions, so that patients who may wish to initiate MAT prior to or during their residential treatment are pre-identified prior to intake and can begin the process to receive MAT prior to entrance into residential treatment when possible, at least 95% of the time.

2.29. The Contractor shall ensure that ongoing MAT services are available to clients following discharge from a residential level of care. Ongoing services shall be available at Keystone Hall, either at 615 Amherst (Keystone), 45 High St (the Contractor's main clinic site) or another appropriate designated clinic site.

3. Additional Scope of Services for Pregnant and Postpartum Women

3.1. The Contractor shall provide trauma-informed MAT services and supports to pregnant and postpartum women up to twelve (12) months postpartum in partnership to provide a full-array of trauma-informed services in Keystone Hall's Cynthia Day Family Center, a high-intensity residential care program, based on clinical evaluations in accordance with ASAM, which shall include, but are not limited to:

3.1.1. A variety of RSS including, but not limited to:

3.1.1.1. Child care.

3.1.1.2. Transportation.

3.1.1.3. Recreational opportunities.

3.1.2. Counseling and group therapy sessions for women with histories of domestic violence.

3.2. The Contractor shall ensure patient-centered, effective, integrated care and attention to overdose prevention by using tools that include, but are not limited to care guidelines for Obstetric and Gynecologic (OB/GYN) providers and delivery hospitals developed by the Northern New England Perinatal Quality Improvement Network (NNEPQIN), when applicable.

3.3. The Contractor shall ensure ongoing communication and care coordination with entities involved in the patient's care including, but not limited to child protective services, treatment providers, and home visiting services that include but are not limited to::

3.3.1. Keystone Hall.

3.3.2. Lamprey Health Center.

3.3.3. Dartmouth Hitchcock Medical Center.

3.3.4. DCYF.

3.3.5. Guardian ad Litems (GALs).

3.3.6. Court Appointed Special Advocates (CASAs).

3.3.7. Probation officers/Department of Correction.

3.3.8. Southern NH Health Systems.

3.3.9. St Joseph's Hospital.

3.3.10. Healthy at Home.

3.3.11. Regional Hub(s)

3.4. The Contractor shall ensure that treatment is provided in a child-friendly environment with RSS available to participants including, but not limited to:

3.4.1. Childcare.

3.4.2. Transportation.

3.4.3. On-site presence at the Cynthia Day Family Center to deliver MAT services.

3.4.4. Referring patients' children to appropriate services available through other supportive entities including, but not limited to:

3.4.4.1. Schools.

3.4.4.2. Childcare providers.

3.4.4.3. Specialty pediatric services.

3.4.4.4. Behavioral health providers.

3.4.5. Parenting education from peers and professionals for women while in treatment.

3.4.6. Primary, behavioral, and oral health care to patients' children, both on-site at Keystone Hall and within the Contractor's 45 High Street facility.

3.5. The Contractor shall participate in the development of an infant Plan of Safe Care (POSC) with birth attendants, the infant's parents or guardians, and the Department for each infant affected by illicit substance use, withdrawal symptoms, or a Fetal Alcohol Spectrum Disorder in order to:

3.5.1. Ensure the safety and well-being of the infant.

3.5.2. Address the health and opioid use treatment needs of the infant and affected family members or caregivers.

3.5.3. Ensure that appropriate referrals are made.

3.5.4. Ensure that services are delivered to the infant and affected family members or caregivers.

3.6. The Contractor shall ensure consistent communication with DCYF for families involved with the agency by including the MAT Nurse Care Manager and Keystone's case manager at DCYF visits with mothers and their children at the Cynthia Day Family Center.

3.7. The Contractor shall provide parenting supports to patients including, but not limited to:

3.7.1. Parenting groups.

3.7.2. Childbirth education.

3.7.3. Safe sleep education.

3.7.4. Well child education.

3.7.5. Seeking Safety treatment approach for co-occurring PTSD and substance abuse.

3.7.6. Trauma Empowerment Model (TEM) for female trauma survivors with severe mental disorders.

3.7.7. Living in Balance which has three different curriculums (Co-Occurring, Recovery Management, and CORE) that work together as a research based, flexible, practical, and user-friendly substance abuse treatment curriculum.

3.7.8. Nurturing Parenting Programs which includes structured weekly sessions over the course of twelve to fifteen (12–15) weeks for parents and their children.

3.8. The Contractor shall provide trauma-informed services and supports to pregnant and postpartum women.

4. Staffing

4.1. The Contractor shall meet the minimum MAT team staffing requirements which includes, but is not limited to a minimum of one (1):

4.1.1. Waivered prescriber.

4.1.2. Masters Licensed Alcohol and Drug Counselor (MLADC); or master licensed behavioral health provider with addiction training.

4.1.3. Care coordinator.

4.1.4. Non-clinical/administrative staff.

4.2. The Contractor shall ensure that all unlicensed staff providing treatment, education, and/or recovery support services:

4.2.1. Are under the direct supervision of a licensed supervisor.

4.2.2. Receive confidentiality training pursuant to vendor policies and procedures in compliance of NH State administrative rule, and state and federal laws.

4.3. The Contractor shall ensure that no licensed supervisor supervises more than twelve (12) unlicensed staff, unless the Department has approved an alternative supervision plan.

4.4. The Contractor shall ensure that unlicensed staff providing clinical or RSS hold a CRSW within twelve (12) months of hire or from the effective date of this contract, whichever is later.

5. Training

5.1. The Contractor shall ensure the availability of initial and on-going training resources to all staff to include buprenorphine waiver training for interested physicians, nurse practitioners, and physician assistants.

5.2. The Contractor shall develop a plan, for Department approval, to train and engage appropriate staff regarding buprenorphine waiver training, ensuring that all eligible providers per the Drug Abuse Treatment Act of 2000 (DATA 2000) and Comprehensive Addiction and Recovery Act (CARA) who request to become certified or are hired to specifically treat opioid dependence shall be required to complete at least eight (8) hours of training through one of the national organizations named in the DATA 2000 legislation as eligible to prepare and administer these courses.

5.3. The Contractor shall participate in training and technical assistant activities as directed by the Department including, but not limited to the Community of Practice for MAT which may include, but is not limited to:

5.3.1. Project-specific trainings, including trainings on coordinating client referrals for collection of data through the Government Performance and Results Modernization Act of 2010 (GPRA).

5.3.2. Quarterly web-based discussions.

5.3.3. On-site technical assistance visits.

5.3.4. Ad hoc communication with expert consultants regarding MAT clinical care topics including, but not limited to:

5.3.4.1. HCV and HIV prevention.

5.3.4.2. Diversion risk mitigation.

5.3.4.3. Other relevant issues.

5.4. The Contractor shall ensure that all MAT Providers and Nurses participate in clinical care trainings, including but not limited to:

5.4.1. HCV and HIV prevention and patient education.

5.4.2. Diversion risk mitigation and patient engagement.

5.4.3. Harm reduction principles as a philosophy of care.

5.4.4. Opioid use disorder treatment.

5.5. The Contractor shall train staff as appropriate on relevant topics including, but not limited to:

5.5.1. MAT (e.g. prescriber training for buprenorphine).

5.5.2. Care coordination.

5.5.3. Trauma-informed wrap around care/RSS delivery best practices.

5.5.4. Evidence-Based Practices (EBPs) such as Screening, Brief Intervention, and Referral to Treatment (SBIRT), Cognitive Behavioral Therapy (CBT), and other training needs.

5.5.5. Safeguarding protected health information (PHI), substance use disorder treatment information (SUD), and any individually identifiable patient information.

6. Reporting and Deliverable Requirements

6.1. The Contractor shall ensure their MAT Nurse Care Coordinators coordinate the sharing of client data and service needs with the Hub(s) to ensure that each patient served has a GPRA interview completed at intake, three (3) months, six (6) months, and discharge.

6.2. The Contractor shall gather and submit de-identified, aggregate patient data to the Department quarterly using a Department-approved method. The data collected will include, but not be limited to:

6.2.1. Diagnoses.

6.2.2. Demographic characteristics.

6.2.3. Substance use.

6.2.4. Services received.

6.2.5. Types of MAT received.

6.2.6. Length of stay in treatment.

6.2.7. Employment status.

6.2.8. Criminal justice involvement.

6.2.9. Housing.

6.3. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA.

6.4. The Contractor shall provide a final report with de-identified, aggregate data to the Department within thirty (30) days of the termination of the contract regarding work plan progress including, but not limited to:

6.4.1. Policies and practices established.

6.4.2. Outreach activities.

6.4.3. Demographics (gender, age, race, ethnicity) of population served.

6.4.4. Outcome data (as directed by the Department).

6.4.5. Patient satisfaction findings.

6.4.6. Description of challenges encountered and action taken.

6.4.7. Other progress to date.

6.4.8. A sustainability plan to continue to provide MAT services to the target population(s) beyond the completion date of the contract, subject to approval by the Department.

6.5. The Contractor shall modify their Releases of Information forms (ROIs) to include the Hub within thirty (30) days of contract award.

6.6. The Contractor shall modify its workflow and internal processes within sixty (60) days of the contract award to streamline the process of Hub referrals for ongoing care coordination, with the referral made upon the initial assessment.

6.7. The Contractor shall ensure that, at least monthly, the Nurse Care Manager conducts clinical reviews of notes/client records on a monthly basis, which includes, but is not limited to:

6.7.1. Ensuring the proper ROI to the Hub is executed by all appropriate parties.

6.7.2. Ensuring referrals for care coordination are sent to the Hub upon receipt of the proper ROI.

7. Performance Measures

7.1. The Contractor shall ensure that 50% of individuals with OUD referred to the Contractor for MAT services receive at least three (3) clinically-appropriate, MAT-related services.

7.2. The Contractor shall ensure that 100% of clients seeking services under this proposed contract that enter care directly through the Contractor who consent to information sharing with the Hub(s) receive a Hub referral for ongoing care coordination

7.3. The Contractor shall ensure that 100% of patients referred by Hub(s) have proper consents in place for transfer of information for the purposes of data collection between the Hub(s) and the Contractor.

7.4. The Contractor shall ensure that Keystone Hall revises its intake paperwork to include specific MAT related questions, so that patients who may wish to initiate MAT prior to or during their residential treatment are pre-identified prior to intake and can begin the process to receive MAT prior to entrance into residential treatment when possible, at least 95% of the time.

7.5. The Contractor shall pre-schedule an initial MAT assessment to occur in the first three (3) business days of a person's arrival at Keystone Hall or prior to arrival into the residential program, whatever is most appropriate given residential waitlists, at least 85% of the time.

7.6. The Contractor shall ensure that amongst those MAT patients who initiate MAT, a follow-up nurse visit is provided the next business day, and a follow up provider visit is also scheduled to occur as appropriate, depending on the medication selected, at least 95% of the time.

1. General

1.1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

1.3. This contract is funded with funds from the US Department of Health and Human Services, Substance Abuse and Mental Health Administration, Catalog of Federal Domestic Assistance (CFDA #) 93.788.

1.4. The Contractor shall keep detailed records of their activities related to Department-funded programs and services.

1.5. Payment for said services shall be made monthly as follows:

1.5.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.

1.5.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate payment.

1.5.3. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

1.5.4. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

1.5.5. In lieu of hard copies, all invoices shall be assigned an electronic signature and emailed to Abby.Shockley@dhhs.nh.gov.

1.5.6. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

1.6. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining further approval from the Governor and Executive Council.

1.7. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

2. State Opioid Response (SOR) Grant Standards

2.1. In order to receive payments for services provided through SOR grant funded initiatives, the Contractor shall establish formal information sharing and referral agreements with all Hubs that comply with all applicable confidentiality laws, including 42 CFR Part 2.

2.2. The Contractor shall complete patient referrals to applicable Hubs for substance use disorder services within two (2) business days of a client's admission to the program.

2.3. The Contractor shall not receive payment for any invoices for services provided through SOR grant funded initiatives until the Department verifies that the Contractor has completed all required patient referrals; verification of patient referrals shall be completed through the New Hampshire Web Information Technology System (WITS) and through audits of Contractor invoices.

2.4. The Contractor shall ensure that only FDA-approved MAT for OUD is utilized. FDA-approved MAT for OUD includes:

2.4.1. Methadone.

2.4.2. Buprenorphine products, including:

2.4.2.1. Single-entity buprenorphine products.

2.4.2.2. Buprenorphine/naloxone tablets,

2.4.2.3. Buprenorphine/naloxone films.

2.4.2.4. Buprenorphine/naloxone buccal preparations.

2.4.2.5. Long-acting injectable buprenorphine products.

2.4.2.6. Buprenorphine implants.

2.4.2.7. Injectable extended-release naltrexone.

2.5. The Contractor shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

2.6. The Contractor shall provide the Department with timelines and implementation plans associated with SOR funded activities to ensure services are in place within thirty (30) days of the contract effective date.

2.6.1. If the Contractor is unable to offer services within the required timeframe, the Contractor shall submit an updated implementation plan to the Department for approval to outline anticipated service start dates.

2.6.2. The Department reserves the right to terminate the contract and liquidate unspent funds if services are not in place within ninety (90) days of the contract effective date.

2.7. The Contractor shall ensure that patients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

2.8. The Contractor shall assist patients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

2.9. The Contractor shall accept patients for MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

2.10. The Contractor shall coordinate with the NH Ryan White HIV/AIDs program for patients identified as at risk of or with HIV/AIDS.

2.11. The Contractor shall ensure that all patients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

3. Maintenance of Fiscal Integrity

3.1. In order to enable DHHS to evaluate the Contractor's fiscal integrity, the Contractor agrees to submit to DHHS monthly, the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement for the Contractor. The Profit and Loss Statement shall include a budget column allowing for budget to actual analysis. Statements shall be submitted within thirty (30) calendar days after each month end. The Contractor will be evaluated on the following:

3.1.1. Days of Cash on Hand:

3.1.1.1. Definition: The days of operating expenses that can be covered by the unrestricted cash on hand.

3.1.1.2. Formula: Cash, cash equivalents and short term investments divided by total operating expenditures, less depreciation/amortization and in-kind plus principal payments on debt divided by days in the reporting period. The short-term investments as used above must mature within three (3) months and should not include common stock.

3.1.1.3. Performance Standard: The Contractor shall have enough cash and cash equivalents to cover expenditures for a minimum of thirty (30) calendar days with no variance allowed.

3.1.2. Current Ratio:

3.1.2.1. Definition: A measure of the Contractor's total current assets available to cover the cost of current liabilities.

3.1.2.2. Formula: Total current assets divided by total current liabilities.

3.1.2.3. Performance Standard: The Contractor shall maintain a minimum current ratio of 1.5:1 with 10% variance allowed.

3.1.3. Debt Service Coverage Ratio:

3.1.3.1. Rationale: This ratio illustrates the Contractor's ability to cover the cost of its current portion of its long-term debt.

3.1.3.2. Definition: The ratio of Net Income to the year to date debt service.

3.1.3.3. Formula: Net Income plus Depreciation/Amortization Expense plus Interest Expense divided by year to date debt service (principal and interest) over the next twelve (12) months.

3.1.3.4. Source of Data: The Contractor's Monthly Financial Statements identifying current portion of long-term debt payments (principal and interest).

3.1.3.5. Performance Standard: The Contractor shall maintain a minimum standard of 1.2:1 with no variance allowed.

3.1.4. Net Assets to Total Assets:

3.1.4.1. Rationale: This ratio is an indication of the Contractor's ability to cover its liabilities.

3.1.4.2. Definition: The ratio of the Contractor's net assets to total assets.

3.1.4.3. Formula: Net assets (total assets less total liabilities) divided by total assets.

3.1.4.4. Source of Data: The Contractor's Monthly Financial Statements.

3.1.4.5. Performance Standard: The Contractor shall maintain a minimum ratio of .30:1, with a 20% variance allowed.

3.2. In the event that the Contractor does not meet either:

3.2.1. The standard regarding Days of Cash on Hand and the standard regarding Current Ratio for two (2) consecutive months; or

3.2.2. Three (3) or more of any of the Maintenance of Fiscal Integrity standards for three (3) consecutive months, then

3.2.3. The Department may require that the Contractor meet with Department staff to explain the reasons that the Contractor has not met the standards.

3.2.4. The Department may require the Contractor to submit a comprehensive corrective action plan within thirty (30) calendar days of notification that 8.2.1 and/or 8.2.2 have not been met.

3.2.4.1. The Contractor shall update the corrective action plan at least every thirty (30) calendar days until compliance is achieved.

3.2.4.2. The Contractor shall provide additional information to assure continued access to services as requested by the Department. The Contractor shall provide requested information in a timeframe agreed upon by both parties.

3.3. The Contractor shall inform the Department by phone and by email within twenty-four (24) hours of when any key Contractor staff learn of any actual or likely litigation, investigation, complaint, claim, or transaction that may reasonably be considered to have a material financial impact on and/or materially impact or impair the ability of the Contractor to perform under this Agreement with the Department.

3.4. The monthly Balance Sheet, Profit & Loss Statement, Cash Flow Statement, and all other financial reports shall be based on the accrual method of accounting and include the Contractor's total revenues and expenditures whether or not generated by or resulting from funds provided pursuant to this Agreement. These reports are due within thirty (30) calendar days after the end of each month.

New Hampshire Department of Health and Human Services

Contractor Name: Harbor Homes Inc.

Budget Request for: RFP-2019-BDAS-05-MEDIC

Budget Period: SFY19 (Upon G&C approval-6/30/19)

	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
Line Item	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total
1. Total Salary/Wages	$ 88,400.00	$ 20,553.00	$ 108,953.00	$ -	$ -	$ -	$ 88,400.00	$ 20,553.00	$ 108,953.00
2. Employee Benefits	$ 15,812.00	$ 3,700.00	$ 19,612.00	$ -	$ -	$ -	$ 15,812.00	$ 3,700.00	$ 19,612.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ 3,149.00	$ -	$ 3,149.00	$ -	$ -	$ -	$ 3,149.00	$ -	$ 3,149.00
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ 3,000.00	$ -	$ 3,000.00	$ -	$ -	$ -	$ 3,000.00	$ -	$ 3,000.00
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Indirect As A Percent of Direct	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 111,461.00	$ 24,253.00	$ 135,714.00	$ -	$ -	$ -	$ 111,461.00	$ 24,253.00	$ 135,714.00
Indirect As A Percent of Direct		21.8%							

Contractor Initials PK

Date 11/14/18

New Hampshire Department of Health and Human Services

Contractor Name: Harbor Homes Inc.

Budget Request for: RFP-2019-BDAS-05-MEDIC

Budget Period: SFY20 (7/1/19-6/30/20)

	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
Line Item	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total
1. Total Salary/Wages	$ 88,400.00	$ 20,553.00	$ 108,953.00	$ -	$ -	$ -	$ 88,400.00	$ 20,553.00	$ 108,953.00
2. Employee Benefits	$ 15,912.00	$ 3,700.00	$ 19,612.00	$ -	$ -	$ -	$ 15,912.00	$ 3,700.00	$ 19,612.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ 3,149.00	$ -	$ 3,149.00	$ -	$ -	$ -	$ 3,149.00	$ -	$ 3,149.00
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ 3,000.00	$ -	$ 3,000.00	$ -	$ -	$ -	$ 3,000.00	$ -	$ 3,000.00
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Indirect As A Percent of Direct	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 111,461.00	$ 24,253.00	$ 135,714.00	$ -	$ -	$ -	$ 111,461.00	$ 24,253.00	$ 135,714.00
Indirect As A Percent of Direct		21.8%							

Contractor Initial PK

Date 11/14/18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

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

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

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

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

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

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

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

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

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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

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

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current 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.

20. **Contract Definitions:**

20.1. 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.

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

20.3. 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 and/or goods to be provided 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.

20.4. 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.

20.5. 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 time to time.

20.6. SUPPLANTING OTHER FEDERAL FUNDS: Funds provided to the Contractor under this Contract will not supplant any existing federal funds available for these services.

REVISIONS TO GENERAL PROVISIONS

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

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

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

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

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

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

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

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

3. Renewal:
   The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

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

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

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

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

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

Vendor Name: Harbor Homes, Inc

11/14/18
Date

Name: Peter Kelleher
Title: President & CEO

CERTIFICATION REGARDING LOBBYING

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

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

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

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

Vendor Name: Harbor Homes, Inc

11/14/18
Date

Name: Peter Kelleher
Title: President & CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

Vendor Initials PK
Date 11/14/18

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

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

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

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

Vendor Name: Harbor Homes Inc.

11/14/18
Date

Name: Peter Kelley
Title: President & CEO

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

The Vendor 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:

Vendor 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.

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 Vendor 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 Vendor agrees to comply with the provisions indicated above.

Vendor Name: Harbor Homes, Inc

11/14/18
Date

Name: Peter Kelleher
Title: President & CEO

Vendor Initials PK

Date 11/14/18

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Vendor Name: Harbor Homes, Inc

11/14/18
Date

Name: Peter Kelleher
Title: President & CEO

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Vendor 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 Vendor and subcontractors and agents of the Vendor 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, TitleXIII, 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.

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

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:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- 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

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

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.

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	Harbor Homes Inc
The State	Name of the Vendor
Signature of Authorized Representative	Signature of Authorized Representative
Katja S Fox	Peter Kelleher
Name of Authorized Representative	Name of Authorized Representative
Director	President & CEO
Title of Authorized Representative	Title of Authorized Representative
11/15/18	11/14/18
Date	Date

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

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Vendor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Vendor Name: Harbor Homes Inc

11/14/18
Date

Name: Peter Kelleher
Title: President & CEO

FORM A

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

1. The DUNS number for your entity is: 131864357

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

   X NO _____ YES

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

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

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

   _____ NO _____ YES

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

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

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

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "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.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS 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 Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that HARBOR HOMES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 15, 1980. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62778
Certificate Number : 0004097603

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 14th day of May A.D. 2018.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, David Aponovich, Treasurer, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Harbor Homes, Inc.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 11/6/18:
(Date)

RESOLVED: That the President & CEO
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 14th day of November, 2018.
(Date Contract Signed)

4. Peter Kelleher is the duly elected President & CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 14th day of November, 2018.

By David Aponovich
(Name of Elected Officer of the Agency)

(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: WILLIAM C. MARTIN
Justice of the Peace - New Hampshire
My Commission Expires November 4, 2020

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 6/19/2018

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 have ADDITIONAL INSURED provisions or 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	CONTACT NAME: Kimberly Gutekunst	
Eaton & Berube Insurance Agency, Inc. 11 Concord Street Nashua NH 03064	PHONE (A/C, No, Ext): 603-882-2766	FAX (A/C, No):
	E-MAIL ADDRESS: kgutekunst@eatonberube.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Hanover Insurance	
INSURED HARHO Harbor Homes, Inc 77 Northeastern Boulevard Nashua NH 03062	INSURER B : Philadelphia Insurance Companies	
	INSURER C : Great Falls Insurance Co	
	INSURER D : Selective Insurance Group	
	INSURER E :	
	INSURER F :	

COVERAGES CERTIFICATE NUMBER: 1778833457 REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
D	[X] COMMERCIAL GENERAL LIABILITY	Y		S2288207	7/1/2018	7/1/2019	EACH OCCURRENCE	$ 1,000,000
	[ ] CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
	[X] Abuse						MED EXP (Any one person)	$ 20,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY	$ 1,000,000
	[ ] POLICY [ ] PRO-JECT [X] LOC						GENERAL AGGREGATE	$ 3,000,000
	[ ] OTHER:						PRODUCTS - COMP/OP AGG	$ 3,000,000
								$
D	AUTOMOBILE LIABILITY			306871	7/1/2018	7/1/2019	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	[ ] ANY AUTO						BODILY INJURY (Per person)	$
	[ ] OWNED AUTOS ONLY [X] SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	[X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
D	[X] UMBRELLA LIAB [X] OCCUR			306873	7/1/2018	7/1/2019	EACH OCCURRENCE	$ 10,000,000
	[ ] EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$ 10,000,000
	[ ] DED [ ] RETENTION $							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N			WCD0936040018	11/26/2017	11/26/2018	[X] PER STATUTE [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] N/A (Mandatory in NH)						E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
A	Professional Liability			L1VA966006	7/1/2018	7/1/2019	Professional "Gap"	$1,000,000
B	Management Liability			PHSD1258460	7/1/2018	7/1/2019	D&O	$1,000,000
D	Crime			S2288207	7/1/2018	7/1/2019	Employee Dishonesty	$510,000

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

Additional Named Insureds:
Harbor Homes, Inc. - FID# 020351932
Harbor Homes II, Inc.
Harbor Homes III, Inc.
Healthy at Homes, Inc. -FID# 043364080
Milford Regional Counseling Service, Inc. -FID# 222512360
Southern New Hampshire HIV/AIDS Task Force -FID#.020447280
Welcoming Light, Inc. -FID# 020481648
See Attached...

CERTIFICATE HOLDER

Department of Health & Human Services
129 Pleasant St.
Concord NH 03301

CANCELLATION

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

Marc R Berube

AGENCY CUSTOMER ID: HARHO

LOC #:

ADDITIONAL REMARKS SCHEDULE

AGENCY	NAMED INSURED
Eaton & Berube Insurance Agency, Inc.	Harbor Homes, Inc 77 Northeastern Boulevard Nashua NH 03062
POLICY NUMBER	
CARRIER / NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

HH Ownership, Inc.
Greater Nashua Council on Alcoholism dba Keystone Hall -FID# 222558859
Boulder Point, LLC - Map 213/Lot 5.3, Boulder Point Drive, Plymouth, NH 03264

77 Northeastern Blvd
Nashua, NH 03062
www.harborhomes.org

HARBOR HOMES, INC.

Phone: 603-882-3616
603-881-8436
Fax: 603-595-7414

A Beacon for the Homeless for Over 30 Years

Mission Statement

To create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.

HARBOR HOMES, INC.

Financial Statements

For the Year Ended June 30, 2017

(With Independent Auditors' Report Thereon)

TABLE OF CONTENTS

MELANSON HEATH
ACCOUNTANTS • AUDITORS
40 years

102 Perimeter Road
Nashua, NH 03063
(603)882-1111
melansonheath.com

Additional Offices:
Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Homes, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc. as of June 30, 2017, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Harbor Homes,. Inc.'s fiscal year 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017 on our consideration of Harbor Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Homes Inc.'s internal control over financial reporting and compliance.

Melanson Heath

November 6, 2017

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2017

(With Comparative Totals as of June 30, 2016)

	2017	2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 320,236	$ 80,962
Accounts receivable, net	1,223,052	862,339
Patient services receivables, net	691,464	448,468
Due from related organizations	474,240	180,466
Inventory	67,277	-
Other assets	60,249	160,913
Total Current Assets	2,836,518	1,733,148
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation	23,364,133	19,139,795
Restricted cash	428,025	382,783
Investments	331,597	8,890
Due from related organizations	345,355	318,617
Beneficial interest	161,946	143,756
Deferred compensation plan	-	100,591
Total Noncurrent Assets	24,631,056	20,094,432
Total Assets	$ 27,467,574	$ 21,827,580
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 956,353	$ 233,806
Accrued expenses	1,111,291	789,127
Line of credit	966,156	100,100
Other liabilities	5,582	256,659
Current portion of capital leases payable	18,304	47,985
Current portion of mortgages payable	247,589	256,680
Total Current Liabilities	3,305,275	1,684,357
Long Term Liabilities:		
Security deposits	58,096	31,953
Deferred compensation plan	-	107,215
Capital leases payable, net of current portion	-	13,446
Mortgages payable, tax credits	79,280	100,323
Mortgages payable, net of current portion	11,666,646	6,932,311
Mortgages payable, deferred	5,217,096	5,217,096
Total Long Term Liabilities	17,021,118	12,402,344
Total Liabilities	20,326,393	14,086,701
Unrestricted Net Assets	6,812,003	7,593,742
Temporarily Restricted Net Assets	329,178	147,137
Total Net Assets	7,141,181	7,740,879
Total Liabilities and Net Assets	$ 27,467,574	$ 21,827,580

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	2017 Total	2016 Total
Public Support and Revenue:				
Public Support:				
Federal grants	$ 3,520,498	$ -	$ 3,520,498	$ 2,758,968
State and local grants	6,268,872	-	6,268,872	3,824,837
Other grants	217,600	-	217,600	-
Contributions	280,525	599,406	879,931	484,631
Fundraising events	26,620	-	26,620	20,885
Net assets released from restriction	417,365	(417,365)	-	-
Total Public Support	10,731,480	182,041	10,913,521	7,089,321
Revenue:				
Department of Housing and Urban Development	3,041,875	-	3,041,875	2,940,896
Veterans Administrative grants	2,160,799	-	2,160,799	2,303,049
Contracted services	642,870	-	642,870	328,802
Patient services revenues, net	2,430,161	-	2,430,161	1,736,275
Medicaid, net	1,499,295	-	1,499,295	1,292,782
Rent and service charges, net	692,803	-	692,803	381,691
Other fees and miscellaneous	180,355	-	180,355	292,972
Outside rent	423,430	-	423,430	122,508
Management fees	25,536	-	25,536	25,324
Investment income/(loss)	25,508	-	25,508	(5,792)
Total Revenue	11,122,632	-	11,122,632	9,418,507
Total Public Support and Revenue	21,854,112	182,041	22,036,153	16,507,828
Expenses:				
Program	20,070,879	-	20,070,879	15,156,854
Administration	2,032,507	-	2,032,507	2,107,947
Fundraising	532,465	-	532,465	264,974
Total Expenses	22,635,851	-	22,635,851	17,529,775
Legal settlement, net (see Note 22)	-	-	-	1,119,434
Debt forgiveness	-	-	-	98,087
Change in net assets	(781,739)	182,041	(599,698)	195,574
Net Assets, Beginning of Year	7,593,742	147,137	7,740,879	7,545,305
Net Assets, End of Year	$ 6,812,003	$ 329,178	$ 7,141,181-	$ 7,740,879

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

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	Program	Administration	Fundraising	2017 Total	2016 Total
Expenses:					
Accounting fees	$ -	$ 41,814	$ 102	$ 41,916	$ 54,671
Advertising and promotion	1,300	5,315	10,581	17,196	10,453
Client counseling and support services	59,223	-	-	59,223	40,286
Client rental assistance	5,713,823	-	-	5,713,823	5,148,408
Conferences, conventions, and meetings	101,990	12,702	721	115,413	72,387
Contracted services	1,408,890	13,329	88	1,422,307	277,409
Employee benefits	900,118	148,436	41,017	1,089,571	865,527
Food and nutrition services	104,496	-	49	104,545	75,070
Grants and donations to other organizations	232,089	686	18,940	251,715	190,916
Information technology	253,700	182,108	1,990	437,798	190,941
Insurance	135,755	5,680	228	141,663	135,910
Interest expense	421,914	75,885	1,079	498,878	445,569
Legal fees	25,585	91,463	-	117,048	105,773
Membership dues	25,808	1,788	-	27,596	16,459
Miscellaneous	57,404	38,045	1,418	96,867	41,700
Occupancy	939,676	120,619	12,239	1,072,534	752,915
Office expenses	161,297	48,862	17,074	227,233	188,582
Operational supplies	300,203	9,131	527	309,861	191,021
Payroll taxes	574,927	76,390	28,109	679,426	520,202
Professional fees	50,627	57,660	25,164	133,451	159,402
Retirement contributions	190,318	20,727	13,134	224,179	235,265
Salaries and wages	7,364,440	992,755	352,427	8,709,622	6,734,326
Travel	94,108	2,298	1,135	97,541	83,412
Total Expenses	19,117,691	1,945,693	526,022	21,589,406	16,536,604
Depreciation and amortization	953,188	86,814	6,443	1,046,445	993,171
Total Functional Expenses	$ 20,070,879	$ 2,032,507	$ 532,465	$ 22,635,851	$ 17,529,775

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

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	2017	2016
Cash Flows From Operating Activities:		
Change in net assets	$ (599,698)	$ 195,574
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	1,046,445	993,171
(Gain)/loss on beneficial interest	(18,190)	5,747
Debt forgiveness	-	(98,087)
(Increase) Decrease In:		
Accounts receivable	(360,713)	158,095
Patient services receivable	(242,996)	(158,176)
Inventory	(67,277)	-
Other assets	100,664	(94,844)
Increase (Decrease) In:		
Accounts payable	722,547	(214,819)
Accrued expenses	322,164	69,111
Deferred compensation plan	(6,624)	254,400
Other liabilities	(251,077)	6,624
Net Cash Provided by Operating Activities	645,245	1,116,796
Cash Flows From Investing Activities:		
Security deposits	26,143	(10,541)
Purchase of fixed assets	(320,785)	(63,527)
Purchase of investments	(322,707)	-
Sale of investments	-	1,409
Net Cash Used by Investing Activities	(617,349)	(72,659)
Cash Flows From Financing Activities:		
Borrowings from lines of credit	1,500,686	110,100
Payments on lines of credit	(634,631)	(743,319)
Payments on capital leases	(43,127)	(43,127)
Payments on long term borrowings	(224,753)	(221,547)
Payments on tax credits	(21,043)	(21,043)
Advances to related organizations	(1,791,201)	(353,583)
Repayments from related organizations	1,470,689	154,774
Net Cash Provided by (Used for) Financing Activities	256,620	(1,117,745)
Net Increase (Decrease) in Cash and Cash Equivalents	284,516	(73,608)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	463,745	537,353
Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 748,261	$ 463,745
Supplemental disclosures of cash flow information:		
Interest paid	$ 474,402	$ 445,423
Non-cash financing activities	$ 4,950,000	$ -
Debt forgiveness	$ -	$ 98,087

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

1. Organization:

Harbor Homes, Inc. (the Organization) is a nonprofit organization that creates and provides quality residential and supportive services for persons (and their families) challenged by mental illness and/or homelessness in the State of New Hampshire. Programs include mainstream housing, permanent housing, transitional housing, and emergency shelter, as well as comprehensive support services that include peer support programs, job training, a paid employment program, and social and educational activities.

In addition to housing and supportive services, the Organization runs a health care clinic that is a Federally Qualified Health Center (FQHC) offering primary medical services to the homeless and/or low-income individuals.

2. Summary of Significant Accounting Policies:

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Accounts Receivable, Net

Accounts receivable consist primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

Patient Services Receivables, Net

Patient services receivables result from the health care services provided by the Organization's Federally Qualified Health Care Center. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other indicators.

For receivables associated with services provided to patients who have third-party coverage, which includes patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Organization analyzes contractually due amounts and provides an allowance for doubtful collections and a provision for doubtful collections, if necessary. For receivables associated with self-pay patients, the Organization records a significant provision for doubtful collections in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collections efforts have been exhausted is charged off against the allowance for doubtful collections. The Organization has not changed its financial assistance policy in fiscal year 2017. The Organization does not maintain a material allowance for doubtful collections from third-party payors, nor did it have significant write-offs from third-party payors.

Inventory

Inventory is comprised of program-related merchandise held for sale in the pharmacy, and is stated at the lower of cost or market determined by the first-in, first-out method.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Property and Equipment

Property and equipment is reported in the Statement of Financial Position at cost, if purchased, and at fair value at the date of donation, if donated. Property and equipment is capitalized if it has a cost of $5,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as

incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Assets	Years
Land improvements	15
Buildings and improvements	10 - 40
Software	3
Vehicles	3
Furniture and fixtures	5 - 7
Equipment	5 - 7

Property and equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Beneficial Interests in Charitable Trusts Held by Others

The Organization has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, the Organization has neither possession nor control over the assets of the trusts. At the date of notification of an interest in a beneficial trust, a temporarily or permanently restricted contribution is recorded in the Statement of Activities, and a beneficial interest in charitable trusts held by others is recorded in the Statement of Financial Position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the Statement of Financial Position, with changes in fair value recognized in the Statement of Activities. Upon receipt of trust distributions and/or expenditures in satisfaction of the restricted purpose stipulated by the donor, if any, temporarily restricted net assets are released to unrestricted net assets; permanently restricted net assets are transferred to the endowment.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions and/or the passage of

time. Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed. The restrictions stipulate that resources be maintained permanently, but permit expending of the income generated in accordance with the provisions of the agreements.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Patient Service Revenues, Net

Patient service revenues, net is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services, net. Reimbursement rates are subject to revisions under the provisions of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred. Included in third-party receivables are the outstanding uncompensated care pool payments.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see Note 16).

Accounting for Contributions

Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with

payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Gifts-in-Kind Contributions

The Organization periodically receives contributions in a form other than cash or investments. Contributed property and equipment is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. Generally Accepted Accounting Principles allow recognition of contributed services only if (*a*) the services create or enhance nonfinancial assets or (*b*) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's, *Uniform Grant Guidance*, and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Income Taxes

Harbor Homes, Inc. is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. If the Organization has net income that is derived from business activities that are unrelated to its exempt purpose, it would need to file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed

insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and entities supportive of the Organization's mission. Investments are monitored regularly by the Organization. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that its investment strategies are prudent for the long-term welfare of the Organization.

Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional contributions receivable and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional contributions receivable.
- Recurring measurement of due from related Organizations (note 4) – Level 3.
- Recurring measurement of investments (note 6) – Level 1.
- Recurring measurement of beneficial interests (note 8) – Level 3.
- Recurring measurement of lines of credit (note 10) – Level 2.
- Recurring measurement of capital leases payable (note 11) – Level 2.
- Recurring measurement of mortgages payable (notes 12 - 14) – Level 2.

The carrying amounts of cash, cash equivalents, restricted cash, receivables, other assets, accounts payable, accrued expenses, and other liabilities, approximate fair value due to the short-term nature of the items, and are considered to fall within Level 1 of the fair value hierarchy.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

3. Receivables, Net:

Accounts receivable at June 30, 2017 consists of the following:

	Receivable	Allowance	Net
Grants	$ 1,045,069	$ -	$ 1,045,069
Pledges	95,500	-	95,500
Residents	96,844	(55,592)	41,252
Other	39,713	-	39,713
Security deposits	1,518	-	1,518
Total	$ 1,278,644	$ (55,592)	$ 1,223,052

Patient accounts receivable, related to the Organization's federally qualified health care center, consisted of the following at June 30, 2017:

	Receivable	Allowance	Net
Medicaid	$ 435,044	$ (65,825)	$ 369,219
Medicare	130,855	(12,319)	118,536
Other	592,924	(389,215)	203,709
Total	$ 1,158,823	$ (467,359)	$ 691,464

4. Due From Related Organizations:

Due from related organizations represents amounts due to Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors (See Note 18). These balances exist because certain receipts and disbursements of the related organizations flow through the Harbor Homes, Inc. main operating cash account. The related organizations and their balances at June 30, 2017 are as follows:

Current:	
Greater Nashua Council on Alcoholism	$ 380,115
Harbor Homes III, Inc.	5,748
Healthy at Home	77,309
HH Ownership, Inc.	2,016
Southern NH HIV/AIDS Task Force	9,052
Subtotal current	474,240
Noncurrent:	
Harbor Homes II, Inc.	134,371
Milford Regional Counseling Services, Inc.	48,494
Welcoming Light, Inc.	162,490
Subtotal noncurrent	345,355
Total	$ 819,595

Although management believes the above receivables to be collectible, there is significant risk that the noncurrent portion may not be.

As discussed in note 2, the valuation technique used for due from related organizations is a Level 3 measure because there are no observable market transactions. Changes in the fair value of assets measured at fair value on a recurring basis using significant unobservable inputs are comprised of the following:

Beginning balance June 30, 2016	$ 499,083
Advances	1,791,201
Reductions	(1,470,689)
Ending balance June 30, 2017	$ 819,595

5. Property, Equipment and Depreciation:

A summary of the major components of property and equipment is presented below:

Land	$ 2,786,690
Land improvements	12,290
Buildings	19,715,780
Building improvements	6,244,321
Software	515,010
Vehicles	211,878
Furniture and fixtures	159,591
Equipment	400,464
Dental equipment	141,716
Medical equipment	58,022
Construction in progress	304,669
Subtotal	30,550,431
Less: accumulated depreciation	(7,186,298)
Total	$ 23,364,133

Depreciation expense for the year ended June 30, 2017 totaled $1,046,445.

6. Investments:

The Organization's investments consist of the following at June 30, 2017:

	Cost	Market Value	Unrealized Gain or (Loss) To Date
Equities	$ 236,270	$ 240,758	$ 4,488
Mutual Funds	90,839	90,839	-
Total	$ 327,109	$ 331,597	$ 4,488

7. Restricted Cash:

Restricted cash consists of escrow accounts and reserves which are held for various purposes. The following is a summary of the restricted accounts:

Security deposits	$ 56,578
Reserve for replacements	367,077
Residual receipt deposits	4,370
Total	$ 428,025

Security deposits held will be returned to tenants when they vacate. Reserve for replacement accounts are required by the Department of Housing and Urban Development (HUD) and the City of Nashua and are used for the replacement of property with prior approval. Residual receipt deposits are required by the Department of Housing and Urban Development and are to be used at the discretion of HUD.

8. Beneficial Interest:

The Organization has a beneficial interest in the Harbor Homes, Inc. Fund (the Fund), a component fund of the New Hampshire Charitable Foundation's (the Foundation) Nashua Region. The Organization will receive distributions from the Fund based on a spending allocation, which is a percentage of the assets set by the Foundation and reviewed annually. The current spending percentage is 4.5% of the market value (using a 20-quarter average) of the Fund. At June 30, 2017, the value of the fund was $161,946.

As discussed in note 2, the valuation technique used for beneficial interest is a Level 3 measure because there are no observable market transactions. Changes in the fair value of assets measured at fair value on a recurring basis using significant unobservable inputs are comprised of the following:

Beginning balance June 30, 2016	$ 143,756
Advances	18,190
Reductions	-
Ending balance June 30, 2017	$ 161,946

9. Accrued Expenses:

Accrued expenses include the following:

Mortgage interest	$ 26,804
Payroll and related taxes	491,506
Compensated absences	592,981
Total	$ 1,111,291

10. Lines of Credit:

At June 30, 2017, the Organization had a $1,000,000 of credit available from TD Bank, N. A. due October 31, 2017, secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2017, the credit line had an outstanding balance of $620,072 at an interest rate of 5.25%.

In addition, the Organization had a $500,000 of credit available from TD Bank, N. A. due October 31, 2017, secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2017, the credit line had an outstanding balance of $346,084 at an interest rate of 5.25%

11. Capital Leases:

The Organization is the lessee of certain equipment under a capital lease expiring in November of 2017. Future minimum lease payments under this lease are as follows:

Year	Amount
2018	$ 18,304
Total	$ 18,304

At June 30, 2017, equipment of $132,000, net of depreciation of $24,200, related to this capital lease.

12. Mortgages Payable, Tax Credits:

Mortgages payable, tax credits consist of a mortgage payable to the Community Development Finance Authority through the Community Development Investment Program, payable through the sale of tax credits to donor organi-

zations, maturing in 2020, secured by real property located at 59 Factory Street in Nashua, NH. This amount is amortized over ten years at zero percent interest. The amount due at June 30, 2017 is $79,280.

13. Mortgages Payable:

Mortgages payable as of June 30, 2017 consisted of the following:

A mortgage payable to Enterprise Bank and Trust Company, with monthly interest only payments required at a fixed rate of 4%, maturing on February 28, 2019, secured by real property located at 75-77 Northeastern Boulevard in Nashua, NH.	$	3,375,000
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $7,879, including principal and interest at an adjustable rate of for the initial ten years based on the then prevailing 10/30 Federal Home Loan Bank Amortizing Advance Rate plus 3.00% and resetting in year 11 based on the then prevailing 10/20 Federal Home Loan Bank Amortizing Advance Rate plus 3.00%, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH.		1,163,150
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $6,193, including principal and interest at an adjustable rate of 4.57% for twenty years, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH.		1,141,480
A mortgage payable to New Hampshire Community Loan Fund, Inc., with interest only payments required at a fixed rate of 6%, maturing December of 2018, secured by real property located at 75-77 Northeastern Boulevard in Nashua, NH.		1,125,000
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $7,768, including principal and interest at 7.05%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH.		1,060,851
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $5,126, including principal and interest at 6.97%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH.		648,007

(continued)

(continued)

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $5,324, including principal and interest at 4.38%, maturing in 2031, secured by real property located at 45 High Street in Nashua, NH.	638,618
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $3,996, including principal and interest at 4.75%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH.	604,365
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $2,692, including principal and interest at 4.75%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH.	454,374
A mortgage payable to TD Bank, due in monthly installments of $5,387, including principal and interest at 3.97%, maturing in 2025, secured by real property located on Maple Street in Nashua, NH.	383,467
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $2,077, including principal and interest at 5.57% for the first five years, then adjusting in June 2015, 2020, 2025, and 2030 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 2.75%, maturing in 2035, secured by real property located at 189 Kinsley Street in Nashua, NH.	282,700
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $1,425, including principal and interest at 4.75% for five years and adjusting to the then-current Federal Home Loan Bank 5/25 Amortizing CDA Rate plus two and three-quarters percent in year six and every five years thereafter, maturing in 2042, secured by real property located at 45 High Street in Nashua, NH.	249,127
A mortgage payable to Mascoma Savings Bank, fsb., due in monthly installments of $1,731, including principal and interest at 7.00% maturing in 2036, secured by real property located at 7 Trinity Street in Claremont, NH.	220,206
A mortgage payable to New Hampshire Health and Education Facilities Authority, due in monthly installments of $3,419, including principal and interest at 1.00% maturing in 2022, secured by a mobile van.	193,493

(continued)

(continued)

A mortgage payable to the Department of Housing and Urban Development, due in monthly installments of $2,385, including principal and interest at 9.25%, maturing in 2022, secured by real property located at 3 Winter Street in Nashua, NH.	117,182
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $1,144, including principal and interest at a variable rate (5.61% at June 30, 2012), maturing in 2029, secured by real property located at 24 Mulberry Street in Nashua, NH.	116,954
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $779, including principal and interest at 7.20% for the first five years, then adjusting in April 2012, 2017, 2022, 2027, and 2032 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 225 basis points, maturing in 2037, secured by real property located at 4 New Haven Drive, Unit 202 in Nashua, NH.	93,243
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of $2,993, including principal and interest at 3.89%, maturing in 2035, secured by real property located at 59 Factory Street in Nashua, NH.	47,018
Total	11,914,235
Less amount due within one year	(247,589)
Mortgages payable, net of current portion	$ 11,666,646

The following is a summary of future payments on the previously mentioned long-term debt.

Year	Amount
2018	$ 247,589
2019	4,782,513
2020	297,052
2021	312,481
2022	322,022
Thereafter	5,952,578
Total	$ 11,914,235

14. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2017 totaling $5,217,096. These loans are not required to be repaid unless the Organization is in default with the terms of the loan agreements or if an operating surplus occurs within that program.

Several of these loans are special financing from the New Hampshire Housing Finance Authority (NHHFA) to fund specific projects. These notes are interest free for thirty years with principal payments calculated annually at the discretion of the lender.

The following is a list of deferred mortgages payable at June 30, 2017:

City of Manchester:	
Somerville Street property	$ 300,000
Total City of Manchester	300,000
City of Nashua:	
Factory Street property	580,000
Spring Street property	491,000
High Street fire system	65,000
Total City of Nashua	1,136,000
Federal Home Loan Bank (FHLB):	
Factory Street property	400,000
Somerville Street property	400,000
Spring Street property	398,747
Total FHLB	1,198,747
NHHFA:	
Factory Street property	1,000,000
Spring Street property*	550,000
Charles Street property	32,349
Somerville Street property	1,000,000
Total NHHFA	2,582,349
Total Mortgages Payable, Deferred	$ 5,217,096

* During fiscal year 2017, the Organization was out of compliance with the income eligibility terms of the loan agreement due to a tenant obtaining a higher income wage after entrance to the program. The lender is aware of the noncompliance and it is expected that this temporary noncompliance will be resolved when the specific tenant moves out.

15. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2017:

Purpose	Amount
Above and beyond	$ 129
Art supplies	289
Claremont	15,000
Dalianis bricks	735
DAV	726
Dental equipment	10,000
Golf event	1,200
Mobile crisis	105,873
Northeastern Blvd.	107,000
Operation brightside	2,000
PEC	42
People's United grant	8,375
Plymouth capital project	25,000
SCOAP	1,292
Software	42,067
Standdown	2,764
Thanksgiving	356
Veterans Christmas fund	700
Veterans computers	5,630
Total	$ 329,178

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time.

16. Patient Service Revenue, Net:

The Organization recognizes patient services revenue associated with services provided to patients who have Medicaid, Medicare, third-party payor, and managed care plans coverage on the basis of contractual rates for services rendered. For uninsured self-pay patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates if negotiated or provided by the Organization's policy. Charity care services are computed using a sliding fee scale based on patient income and family size. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are provided.

The Organization accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those costs for which no payment is anticipated. The Organization uses federally established poverty guidelines to assess the level of discount provided to the patient. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines, but may charge a nominal copay. If the patient is unable to pay the copay, the amount is written off to charity care. All patients are charged in accordance with a sliding fee discount program based on household size and household income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Patient services revenue, net of provision for bad debts and contractual allowances and discounts, consists of the following:

	2017				2016
	Gross Charges	Contractual Allowances	Charitable Care Allowances	Net Patient Service Revenue	Net Patient Service Revenue
Medicaid	$ 1,834,675	$ (363,773)	$ -	$ 1,470,902	$ 1,159,434
Medicare	528,336	(244,296)	-	284,040	246,337
Third-party	1,151,592	(591,136)	-	560,456	428,481
Sliding fee/free care	215,008	-	(196,108)	18,900	57,275
Self-pay	304,314	-	(2,669)	301,645	140,412
Subtotal	$ 4,033,925	$ (1,199,205)	$ (198,777)	2,635,943	2,031,939
Provision for bad debts				(205,782)	(295,664)
Total				$ 2,430,161	$ 1,736,275

17. Client Rental Assistance:

The Organization has multiple grants requiring the payment of rents on behalf of the consumer. Rent expense totaling approximately $5.7 million is comprised of leases held in the Organization's name and the responsibility of the Organization, leases in consumers' names, or rents paid as client assistance.

18. Transactions with Related Parties:

The Organization's clients perform janitorial services for Harbor Homes HUD I, II and III, Inc., Welcoming Light, Inc., Milford Regional Counseling Services, Inc., Healthy at Home, Inc., Greater Nashua Council on Alcoholism, and Southern NH HIV/AIDS Task Force, related organizations. These services are billed to the related organizations and reported as revenues in the accompanying financial statements based on actual cost.

The Organization currently has several contracts with Healthy at Home, Inc. to receive various skilled nursing services, CNA services and companion services for its clients. All of the contracts are based on per diem fees, ranging from $16 per hour for companion services to $100 per visit for skilled nursing services.

The Organization is a corporate guarantor for Greater Nashua Council on Alcoholism in relation to two mortgages on their Amherst Street property. The guaranties consist of one bond in the amount of $3,963,900 and a mortgage in the amount of $200,000.

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, Greater Nashua Council on Alcoholism, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled $52,305, $41,250 and $51,137, respectively, for fiscal year 2017.

Harbor Homes, Inc. received management fees totaling $25,536 from its related organizations that have HUD projects.

The Organization is considered a commonly controlled organization with several related entities by way of its common board of directors. However, management believes that the principal prerequisites for preparing combined financial statements are not met, and therefore separate statements have been prepared.

The following are the commonly controlled organizations:

Harbor Homes II, Inc.
Harbor Homes III, Inc.
HH Ownership, Inc.
Welcoming Light, Inc.
Milford Regional Counseling Services, Inc.
Healthy at Home, Inc.
Greater Nashua Council on Alcoholism
Southern NH HIV/AIDS Task Force

19. Deferred Compensation Plan:

In fiscal year 2017, the Organization discontinued its 403(b) plan and deferred compensation plan for certain employees and directors. It also implemented a 401(k) retirement plan. Upon meeting the eligibility criteria, employees can contribute a portion of their wages to the 401(k) plan. The Organization matches a percentage of the employee contribution based on years of service. Total matching contributions paid by the Organization for the year ended June 30, 2017 were $224,179.

20. Concentration of Risk:

The Organization received revenue as follows:

Federal grants	$	16%
State, local, and other agencies		28%
Department of Housing and Urban Development		14%
Department of Veterans Affairs		10%
Medicaid		7%
All other support and revenue		25%
Total	$	100%

21. Contingencies:

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Organization, if any, are not presently determinable.

22. Legal Settlement, Net:

In 2011, the State of New Hampshire removed the ability to bill for certain Medicaid services and the Organization filed suit. The Organization settled with the State in 2015 and was awarded $1,350,000 in fiscal year 2016. The settlement was received net of legal fees.

23. Supplemental Disclosure of Cash Flow Information:

In fiscal year 2017, the Organization early adopted Accounting Standard Update (ASU) No. 2016-18, *State of Cash Flows (Topic 203): Restricted Cash.* The amendments in this update require that a Statement of Cash Flows explain the change during the fiscal year of restricted cash as part of the total of cash and cash equivalents.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported in the Statement of Financial Position to the same such amounts reported in the Statement of Cash Flows.

Cash and Cash Equivalents	$ 320,236
Restricted Cash	428,025
Total Cash, Cash Equivalents, and Restricted Cash shown in the Statement of Cash Flows	$ 748,261

24. Subsequent Events:

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2017 through November 6, 2017, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

At June 30, 2017, the financial statements reported current liabilities that exceeded current assets. This is attributable to several unusual factors. In June 2017, the Organization determined that a major funder had overpaid a grant in the amount of $250,000. As a result, a liability was recorded and a repayment agreement over a six-month period was agreed-upon, with the funder reducing its subsequent monthly payments. In addition, the Organization is currently in the beginning stages of several construction projects that will be completed in fiscal years 2018 and 2019. Historically, the Organization has received project funding in advance to cover upfront costs such as architects, engineers, and consultants. Full funding for these projects is anticipated from grants and tax credits. The grants will not be available to the Organization until construction loans and tax credits have been executed.

CURRENT BOARD OF DIRECTORS LIST (05/1/18)

Officers

Dan Sallet, Chair
Trent Smith, Vice-Chair
Jared Freilich, Treasurer
David Aponovich, Asst. Treasurer
Joel Jaffe, Secretary
Laurie Goguen, Asst. Secretary

Directors

Thomas I. Arnold, III
Jack Balcom
Vijay Bhatt
Vince Chamberlain
Laurie DesRochers
Phil Duhaime
Lynn King
Ed McDonough
Rick Plante

Revised May 2018

PETER J. KELLEHER, CCSW, LICSW
45 High Street
Nashua, NH 03060
Telephone: (603) 882-3616
Fax: (603) 595-7414
E-mail: p.kelleher@harborhomes.org

PROFESSIONAL EXPERIENCE

2006-Present **President & CEO, Southern NH HIV Task Force**
2002-Present **President & CEO, GNCA, Inc. Nashua, NH**
1997-Present **President & CEO, Healthy At Home, Inc., Nashua, NH**
1995-Present **President & CEO, Milford Regional Counseling Services, Inc., Milford, NH**
1995-Present **President & CEO, Welcoming Light, Inc., Nashua, NH**
1982-Present **President & CEO, Harbor Homes, Inc., Nashua, NH**
Currently employed as chief executive officer for nonprofit corporation (and affiliates) providing residential, supported employment, and social club services for persons with long-term mental illness and/or homeless. Responsible for initiation, development, and oversight of 33 programs comprising a $10,000,000 operating budget; proposal development resulting in more than $3,000,000 in grants annually; oversight of 330 management and direct care professionals.

2003-2006 **Consultant**
Providing consultation and technical assistance throughout the State to aid service and mental health organizations

1980 - 1982 **Real Estate Broker, LeVaux Realty, Cambridge, MA**
Successful sales and property management specialist.

1979 - 1980 **Clinical Coordinator, Task Oriented Communities, Waltham, MA**
Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/ mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.

1978 - 1979 **Faculty, Middlesex Community College, Bedford, MA**
Instructor for an introductory group psychotherapy course offered through the Social Work Department.

1977 - 1979 **Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA**
Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.

1976 **Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA**
Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.

1971 - 1976 **Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA**
Major responsibilities consisted of psycho educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

EDUCATION

1988-1991 Rivier College, Nashua, NH – Bachelor of Science, Accounting

OTHER ACHIEVEMENTS

Licensed Certified Public Accountant in the State of New Hampshire
Member of the New Hampshire Society of Certified Public Accountants
Member of the American Institute of Certified Public Accountants

SOFTWARE EXPERIENCE

Excel, Word, Powerpoint, Pro-Fx Tax software, Pro-Fx Trial balance software, Quickbooks, Peachtree, T-Value, various auditing software programs

Patricia A. Robitaille, CPA
[redacted]
[redacted]

PROFILE

- 18 years experience in accounting/financial
- Management experience
- Diversified industry exposure
- Counselor and mentor
- Training experience
- Knowledge of multiple computer programs
- Excellent client rapport
- Tax preparation experience

PROFESSIONAL EXPERIENCE

June 2009 – Present *Vice President of Finance* Harbor Homes, Inc.

- Responsible for the finances of 9 related non-profit entities with revenues in excess $22M
- Directly responsible for budgeting, planning, cash management, grants and contracts falling under the business/accounting office
- Reviews and analyzes the monthly, quarterly and annual financial reports
- Analyzes results of cash flows, budget expenditures and grant restrictions
- Assists the President/CEO with financial planning and capital projects
- Responsible for the annual financial and retirement audits of all related entities
- Reviews Federal 990 tax returns and state returns
- Set up web based electronic timesheets
- Implemented the conversion and installation of accounting and HR software
- Prepares and reviews 941 quarterly returns, state unemployment returns
- Oversees worker's compensation renewals, audit preparations, safety controls
- Responsible for coordinating, financing of two $6M capital construction

Jan. 2007 – Oct. 2008 *Audit Manager* Ernst Young LLP, Manchester, NH

- Managed audits of private corporations with revenues up to $200 million
- Assisted as manager of audits for public corporations with revenues up to $400 million
- Reviewed and assisted preparation of financial statements, 10Q quarterly filings and 10K annual filings
- Analyzed and reviewed internal control under Section 404 of the Sarbanes Oxley Act
- Prepared management comments in conjunction with material weakness or significant deficiencies

Jun. 1997 – Jan. 2007 *Audit Supervisor* Melanson Heath & Company, P.C., Nashua, NH

- Supervise/train various teams for commercial, not-for-profit, and municipal audits and agreed upon procedures
- Audit services include balance sheet reconciliation including inventory control
- Preparation and presentation of financial statements
- Preparation of management comment letters for internal quality improvement
- Assist clients with all aspects of accounting

- Preparation of budgets and cash forecasting
- Consulting services to clients including maximization of profits
- Extensive corporate tax preparation experience

1993 – 1997 *Accounting/Office Manager* Hammar Hardware Company, Nashua, NH

- Management of a five-person staff
- Oversaw accounts receivable, accounts payable and general ledger reconciliation
- Responsible for inventory management, preparation for year-end audit and collaboration with external auditors
- Prepared monthly internal financial statements
- Responsible for payroll including quarterlies and year-end reporting

EDUCATION

1988-1991 Rivier College, Nashua, NH – Bachelor of Science, Accounting

OTHER ACHIEVEMENTS

Licensed Certified Public Accountant in the State of New Hampshire
Member of the New Hampshire Society of Certified Public Accountants
Member of the American Institute of Certified Public Accountants

SOFTWARE EXPERIENCE

Excel, Word, PowerPoint, Pro-Fx Tax software, Pro-Fx Trial balance software, QuickBooks, Peachtree, T-Value, various auditing software programs, Sage Non-profit Accounting software, Sage MAS 90 accounting software.

JONATHAN W. BROWN

[redacted]

EDUCATION

2014 MBA - Masters Business Administration, University of Phoenix

2012 BSIT/BSA - Bachelor of Science Information Technology/Business Systems Analysis, University of Phoenix

EXPERIENCE

12/06 to pres. INDIAN STREAM HEALTH CENTER, INC., Colebrook, NH
(A nonprofit integrated system designated as a Federally Qualified Health Center with revenues of $6.60 million)

Chief Executive Officer (1/15 to present)

Responsibilities: Management of two delivery sites covering three states providing medical, mental health, substance misuse, and pharmacy services to approximately 4,000 patients annually. Reports to Board of Directors. Direct reports include Chief Financial Officer, Chief Health Officer, Compliance Director, grants management and marketing staff.

Accomplishments:

- National Committee for Quality Assurance (NCQA) Level III Patient-Centered Medical Home (PCMH) Accreditation
- 9% Operating Surplus in Fiscal Year 2015 and 8% Operating Surplus in Fiscal Year 2016
- Expansion of Oral Health, Mental Health, and Substance Misuse Services
- Hired eight clinical providers in 18 months (5 medical and 3 behavioral health)
- Instituted $15.00 livable wage
- Coordinated the development of a two-year strategic plan, including new Mission and Vision Statements
- Grown grant funding approximately 125% since 2015
- Hired, promoted or realigned the following positions: Chief Financial Officer, Chief Health Officer, Pharmacy Director, Behavioral Health Director, Medical Health Director and Director of Human Resources.

Chief Financial Officer (8/12 to 1/15)

Responsibilities: Management of $5+ million budget, including two delivery sites in three states providing medical, mental health, substance misuse, and pharmacy services to approximately 4,000 patients annually. Report to the Chief Executive Officer.

Direct reports included Information Systems Director, Facilities Directors, Front Desk and Scheduling Manager, and Revenue Cycle Manager.

Accomplishments:

- Increased Net Fee Revenue 15% from prior period
- Increased Gross Collections from 42% to 86%
- Reduced Fee Receivables by 60% and Bad Debt Allowance by 60%
- Aggregate Insurance Days in AR = 45
- Managed $500,000 capital renovation project at Colebrook, NH facility which included a pharmacy, facility generator, elevator, and ADA upgrades
- Opened retail and 340B Pharmacy in May 2013
- Managed Design/Build capital project to open satellite site in Canaan, VT in May 2014
- Averaged 9% Operating Margin Fiscal Years 2012 - 2015

Information Systems & Facilities Manager (12/06 to 7/12)

Responsibilities: Management of Electronic Health Record, Patient Management System, hardware, software, network, all data systems, facility and environmental safety and security. Report to Chief Financial Officer. Direct reports included Information Technology Assistant, Housekeepers.

Accomplishments:

- Facilitated implementation of Electronic Health Record and Patient Management System
- Transitioned paper payroll system to electronic system, including services from ADP
- Facilitated development of Bi-directional Lab interface with Hospital
- Managed $1 million capital project that included 2,400 sq/ft addition and renovations
- Managed capital campaign for above mentioned capital project that raised $188,000
- Authored first Information Technology and Facilities Management organizational policies and procedures manual

PROFESSIONAL/COMMUNITY AFFILIATIONS

Medical Group Management Association, 2017

American College of Healthcare Executives (enrolled in Fellowship Program), 2017

North Country Health Consortium (Board of Directors), 2017

(Treasurer 2016 and 2017)

North Country Community Care Organization (Board of Directors), 2017

New Hampshire Rural Accountable Care Organization (Board of Directors), 2017

North Country Chamber of Commerce (Board of Directors), 2011-2014, 2017

JONATHAN W. BROWN

(*Vice President 2012 and President 2013*)

North Country Accountable Care Organization (Board Directors), 2015

George Washington University Geiger Gibson Capstone Fellowship in Community Health Policy and Leadership, 2015

Neil and Louise Tillotson Grantee Learning Community, 2013

Office of Rural Health Policy Rural Voices Leadership Institute, 2012

Leadership North Country Program, 2011

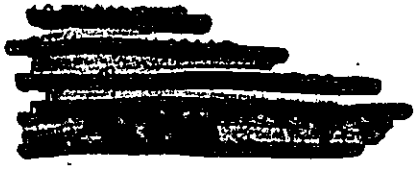
Bi-State Leadership Development Program, 2010-2011

REFERENCES

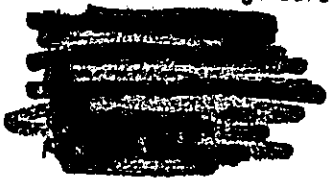
Available upon request

Graciela Silvia Sironich-Kelkan MD.

Present Mailing Address



Alternative Mailing Address



Medical Education

Universidad de Buenos Aires
Ciudad Autónoma de Buenos Aires
Argentina
MD, 12/21/1979

School Awards & Membership in Honorary/ Professional Societies

Cardiology Argentine Society: 1982-1986 associated member
Azcuenaga 980, Ciudad Autonoma de Buenos Aires, Argentina.
Intensive Care Argentine Society: 1985-1992 associated member 1992-1997Board's Member
Cnel. Niceto Vega 4617, Ciudad Autónoma de Buenos Aires, Argentina.
Argentine Association of Enteral and Parenteral Nutrition: 1983-1997, Founder and Board's Member
Lavalle 3643 3F Ciudad Autónoma de Buenos Aires, Argentina.
Biologic's Security Committee Navy Hospital: 1985-1997 Board's Member 1986-1997
Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.

Certifications / Licensure

NPI: 1760751531

State of New Hampshire Full License 2/1/2012 to 6/30/2014 # 15553
DEA Registration: FS 2954851
State of New Hampshire Temporary License Date 11/02/2011 to 5/12/2012 #T0566
State of Massachusetts Limited License #222359 Exp. Date 06/30/2005
DEA Registration#AS4148501E136,
ACLS Certification
U.S.M.L.E/ E.C.F.M.G: 08/27/2001

Argentina:
Pan-American & Iberic Federation of Intensive Care Medicine. Degree of Certification in Critical Care Medicine. Diploma of Accreditation, Lisbon, Portugal 1995.
National Academy of Medicine, Ciudad Autónoma de Buenos Aires, Argentina. Certification of Professional Physicians as Critical Care Specialist. 1993.
Certificate of Specialist Argentine Society of Critical Care, Ciudad Autónoma de Buenos Aires, Argentina. 1993
Specialist in Critical Care, Ministry of Health and Social Security, Federal District, Ciudad Autonoma de Buenos Aires, Argentina. 1991.
National License: #58049 October Active1980-March 1997 Book 17, Page 18
Province of Buenos Aires School 2nd District: #28446 08/1980 Book XI page192
Avellaneda, Province of Buenos Aires, Argentina.

Work Experience:

The Doctor's office:
102 Bay Street, Manchester, NH 03104
General Practice, November 2011-present.

American Red Cross Massachusetts Bay Chapter:
139 Main St Cambridge, MA 02142-1530
Health and Safety: Part Time Instructor in English and Spanish in CPR/AED Adults, Children, Infants and First Aid. 06/2011-present.

The Doctor's Office:
102 Bay Street, Manchester, NH 03104
First Line Theraphy Lifestyle Educator, Coach. 05/2011-present.

Caritas Saint Elizabeth's Medical Center.
736 Cambridge Street, Brighton, MA.02135
Department of Internal Medicine: Observer 03/2003- 12/2003

Laurence General Hospital,
1 General Street, Lawrence, MA. 01842

Observer, shadowing an Attending Neurologist 11/2002- 03/2003

Hewlett Packard, Medical Division
3000 Minuteman Rd, Andover MA. 01810
Medical Consultant for Latin America Field Operations 09/1997-12/1999

Navy Hospital Major Surgeon Pedro Mallo.
Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.
Chief Surgical Care Unit
Clinic and administrative management of the Unit. Instructor for medical students and residents. 01/92—03/97

Colegiales Clinic
Conde 851, Ciudad Autónoma de Buenos Aires, Argentina
Critical Care Coordinator.
Contributed of the management of the Unit. Coordinator of Critical Care actualization courses. 07/1991-061993

Clinica Modelo Los Cedros.
San Justo, Provincia de Buenos Aires, Argentina
Chief, Intensive Care Unit
Clinic and administrative Management of the Unit. 07/1990-06/1991

Nephrologic Medical Center Oeste.
Ciudadela, Provincia de Buenos Aires, Argentina.
Attending Physician, Hemodialysis Unit. 02/1987-08/1988

Navy Hospital Major Surgeon Pedro Mallo.
Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.
Attending Physician, Critical Care Unit. 07/1984-01/1992

Navy Hospital Major Surgeon Pedro Mallo.
Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.
On call Physician, Coronary Care Unit. 01/84-071984

Bazterrica Clinic
Juncal 3002, Ciudad Autónoma de Buenos Aires, Argentina.
On call Physician, Critical Care Unit.09/1980-12/1987

Residencies/Fellowships

Caritas Saint Elizabeth's Medical Center

736 Cambridge St, Brighton, MA, 02135 United States of America.
General Surgery. 07/2004-06/2005
Marvin Lopez M.D. FACS, FRCSC.
Hackford Alan M.D.

University of Salvador
Post Graduate School of medicine
Tucumán 1845/59, Ciudad Autónoma de Buenos Aires, Argentina.
Universitary Extension Critical Care 05/1983-12/1984
Professor Eduardo Abbate MD, Course Director, Professor Luis J Gonzalez Montaner MD, Dean of School of Medicine

Carlos Durand Hospital
Cardiology Division
Díaz Vélez 5044, Ciudad Autónoma de Buenos Aires, Argentina
Cardiology-Internal Medicine. 03/1982-06/1984
Alberto Demartini MD., Professor German Strigler MD.

Ignacio Pirovano Hospital
Monroe 3555, Ciudad Autónoma de Buenos Aires, Argentina.
Internal Medicine. 03/1981-02/1982
Professor Navarret MD. Professor Cottone MD. 03 / 1981 - 02 / 1982

City of Buenos Aires Municipality
City of Buenos Aires Hospitals
Critical Care Units
Annual Course of theory and practice in Critical Care.
Professor Francisco Maglio MD., Claudio Goldini MD., Roberto Menendez MD.,Professor Roberto Padron MD. 03/1980-02/1981

Publications/ Presentations/Poster Sessions

Graciela Silvia Sironich, Biochemistry Faculty, UBA. Nutrition Department and Mater Dei, Nutrition in acute pancreatitis, Publication Date: 09 / 1999, Volume: 1, Pages: 235; 242.

Bazaluzzo J M; Sironich Graciela; Catalano H.; Quiroga J. La Prensa Medica Argentina, Nutritional Evaluation by anthropometric method. Publication Date: 11 / 1992, Volume: N/A.

Sironich Graciela; Catalano H.; Milei L.; Lancestremere M. Magazine XXIV Annual Meeting of the Argentine Society of Clinical Investigation. Sodium and plasmatic osmolarity variations in neurosurgical patients. Publication Date: 11 / 1989 , Volume: 1 /1989, Pages: N/A.

Volunteer Experience

American Red Cross Nashua Gateway Chapter
28 Concord Street, Nashua, NH 03064
Health and safety: CPR/AED for Adults, Children, Infants and First Aid Instructor. 04-2011-present.

American Cancer Society
Collaborated with 2009 Annual Fund
2009 Supporter, NH.

Spanish Hospital,
Belgrano 2975, Ciudad Autónoma de Buenos Aires, Argentina. 01209
Oncology Department, Voluntary Physician 01/1980-07/1980

Spanish Hospital,
Belgrano 2975, Ciudad Autónoma de Buenos Aires, Argentina. 01209
Emergency Room Volunteer. 03/1079-03/1980

Evita General Hospital,
Rio de Janeiro 1910, Lanús, Provincia de Buenos Aires, Argentina.
Emergency Room Volunteer. 09/1974-12/1974

Dr Jose Estevez Psychiatric Hospital,
Garibaldi 1400, Temperley, Provincia de Buenos Aires, Argentina.
Volunteer. 08/1972-07/1973

Hobbies & Interests

Travel
Reading fiction, nonfiction and history
Theater
Cooking

Language Fluency (other than English)
Spanish

Other Accomplishments.

New Hampshire Governor's Commission on Latino Affairs. Member of the Board. 05/ 2010-present. Secretary 11/2010-present
FLT Lifestyle Educator Certification. March 2011
American Red Cross Gateway Chapter: CPR/AED for Professional Rescuers and Healthcare providers Instructor Certification 04/08/2011
American Red Cross Gateway Chapter: CPR/AED for Adults, Child, Infant; First Aid Lay responder Certification. 03/21/2011
Fundamentals of Instructor Training Certification 03/21/2011

C. Annmarie MacIsaac-Parmenter RNC

Professional Summary

Energetic and motivated Registered Nurse and leader dedicated to excellence in patient care, and fiscal accountability. I am seeking a position that provides new challenges.

Skill Highlights

- Excellent leadership abilities with tremendous level of patience
- Comprehensive knowledge of finance and budget creation related to the nursing department
- Sound understanding of the laws and regulations for health care organizations
- Skilled in planning and implementing strategies to provide effective case management
- Exceptional health care management skills
- Experienced in hiring, training, managing, and evaluating staff
- Excellent clinical supervisory skills
- Ability to effectively manage patient care issues
- Strong organizational and communication skills
- Proficient with multiple EMR platforms: EPIC, McKesson, Point Click Care, Sigma Care

Experience

National Healthcare Country Center
Newburyport MA
Director of Nursing **September 2014-October 2015**

- Managed entire operations of the nursing department.
- Established and maintained standards of nursing practice for the department.
- Handled administrative duties pertaining to patient care.
- Plan and implement strategies for operational management.
- Oversight of supply stock, needs, and budgets for the nursing department.
- Maintained daily interaction with doctors, patients, residents and family members to insure excellent care and communication.
- Scheduled and mentored nursing staff and sanction their leaves and other benefits.
- Participated in meetings for building center's policies and ensure implementation

Genesis Bedford Hills Center
Bedford , N H
Assistant Director of Nursing **April 2012-September 2014**

- Assist DON in managing clinical operations of the nursing department in a 147 bed long term and rehabilitation facility.
- Supervise and mentor unit managers.
- Assist in recruiting, training and disciplining staff.
- Timely screening of admissions and assessment of needs prior to admission.
- Weekly wound rounds with APRN from wound center
- Chairperson of fall committee. Developed and implemented "fall Huddle" as a way to decrease falls.
- Scheduling and management of PPD for nursing staff.
- Identify department issues and develop corrective actions, using audits to identify trending and implementing action plan

Genesis Bedford Hills Center
Bedford, N H
Unit Manager **September 2009 to April 2012**

- Unit manager of 38 bed LTC and 36 bed Dementia Unit.
- 24-hour responsibility and accountability for all aspects of patient care.
- Hiring, training and management of staff, including progressive discipline and performance reviews.
- Achieved recognition for improved quality of life for LTC residents incorporating "life event" activities.
- Identified opportunities to maintain and improve functional level of residents by collaborating with interdisciplinary team.

Genesis Ridgewood Center
Bedford NH
Unit Manager TCU **August 2008 to September 2009**

- 24-hour responsibility and accountability for all aspects of patient care on a 50 bed skilled rehab
- unit.
- Reviewed potential admissions to the unit with Director of Nursing and Admissions
- Director.
- Worked collaboratively with Director of Nursing to identify and provide orientation and
- continuing education for unit staff members.
- Collaborated with the interdisciplinary care team to provide comprehensive care.
- Reviewed clinical records for completeness and accuracy as necessary.
- Assessment of wounds and infections and submission of documentation and trending reports with plan of correction.

St Joseph Hospital
Nashua NH
Registered Nurse/ Charge Nurse **August 2000 to August 2008**

- Delivered high-quality and compassionate treatment to patients with dementia and related
- Diseases in an acute care setting.
- Provided behavioral/emotional support and supervision for those with dementia, as well as assessment and treatment of medical diagnoses.
- Wound assessment and management, member of in house wound team.
- Assist in recruiting, training and disciplining staff.
- Member of ethics committee.
- Discharge planning
- Regional Dementia educator and trainer.

Education and Training

Prince Edward Island School of Nursing
Charlottetown, Prince Edward island, Canada

Licenses

Registered Nurse, New Hampshire # 018970-21
Massachusetts # RN134444

ANCC Hospice and Palliative Care Certified

Certified Dementia Trainer

References

Available Upon Request

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Peter Kelleher	President and CEO	$338,146	0%	$0
Patricia Robitaille	CFO	$150,000	0%	$0
Jonathan Brown	Clinic Director	$130,000	0%	$0
Graciella Silvia Sironich-Kalkan	Medical Director	$208,000	0%	$0
Charlotte MacIsaac	RN	$69,597	10%	$6,960

Subject: Medication Assisted Treatment (RFP-2019-BDAS-05-MEDIC-03)

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

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name LRGHealthcare		1.4 Contractor Address 80 Highland Street Laconia, NH 03246	
1.5 Contractor Phone Number 603-524-3211	1.6 Account Number 05-95-92-920510-7040 – 500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $271,428
1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature Kevin W Doran		1.12 Name and Title of Contractor Signatory Kevin W. Donoran President & CEO	

1.13 Acknowledgement: State of NH, County of Belknap

On November 5th 2018, 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

Holly A Hudon

[Seal]

1.13.2 Name and Title of Notary or Justice of the Peace

Holly A. Hudon
Notary Public

1.14 State Agency Signature Date: 11/15/18	1.15 Name and Title of State Agency Signatory Lenja S Fox Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: On: 11/16/2018

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

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

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials
Date 11/5/18

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

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

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

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

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials KLSD
Date 11/5/18

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

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

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

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

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

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

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

Contractor Initials KWB
Date 11/5/18

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

2. Scope of Work – Community Based

2.1. The Contractor shall provide comprehensive MAT for individuals with opioid use disorder including, but not limited to delivering outpatient or intensive outpatient treatment to individuals with Opioid Use Disorder (OUD) in accordance with the American Society of Addiction Medicine (ASAM) criteria.

2.2. The Contractor shall be a certified Opioid Treatment Program in accordance with He-A 304 if methadone is used for patients served under this contract.

2.3. The Contractor shall coordinate services with community-based agencies that provide non-SUD treatment services to individuals with OUD in need of additional human service agency services and supports.

2.4. The Contractor shall ensure new patients are provided with an initial meeting that will assist them with:

2.4.1. Gaining a full understanding of the clinic's guidelines.

2.4.2. Obtaining insurance benefits, community services, and counseling.

2.5. The Contractor shall ensure patient-centered care and attention to overdose prevention by using tools which include, but are not limited to:

2.5.1. Center for Disease Control (CDC) opioid prescribing guidelines.

2.5.2. Substance Abuse and Mental Health Services Administration's (SAMHSA's) Opioid Overdose Prevention Toolkit.

2.5.3. State published Guidance Document on Best Practices: Key Components for Delivering Community Based Medication Assisted Treatment Services for Opioid Use Disorders in New Hampshire.

2.6. The Contractor shall provide OUD treatment services that support the Resiliency and Recovery Oriented Systems of Care (RROSC) by operationalizing the Continuum of Care Model. (More information can be found at: http://www.dhhs.nh.gov/dcbcs/bdas/continuum-of-care.htm).

2.7. The Contractor shall provide interim OUD treatment services when the needed treatment services are not available to the client within forty-eight (48) hours of referral. Interim services shall include:

2.7.1. At least one sixty (60) minute individual or group outpatient session per week.

2.7.2. Recovery support services (RSS) as needed by the client.

2.7.3. Daily calls to the client to assess and respond to any emergent needs.

2.8. The Contractor shall ensure that clients are able to move seamlessly between levels of care within a group of services. At a minimum, the Vendors must:

2.8.1. Collaborate with the Continuum of Care Facilitator(s) in the development of a resiliency and recovery oriented system of care (RROSC) in the region(s) served.

2.8.2. Participate in the Regional Continuum of Care Workgroup(s).

2.8.3. Participate in the Integrated Delivery Network(s) (IDNs).

2.8.4. Coordinate all services delivered to clients with the local Regional Hub for OUD services (hereafter referred to as "Hub") including, but not limited to accepting clinical evaluation results for level of care placement from the Hub.

2.9. Before disclosing or re-disclosing any patient information, the Contractor shall ensure that all required patient consent or authorizations to disclose or further disclose confidential protected health information (PHI) or substance use disorder treatment information (SUD) according to all state rule, state and federal law and the special rules for redisclosure in 42 CFR part 2 have been obtained.

2.10. The Contractor shall modify their office electronic health record (EHR) and clinical work flow to ensure required screening activities by clinical staff and appropriate required data collection by care coordinators.

2.11. The Contractor shall establish and maintain formal and effective partnerships with behavioral health, OUD specialty treatment, and RSS, and medical practitioners to meet the needs of the patients served.

2.12. The Contractor shall collaborate and develop formal referral and information sharing agreements with other providers that offer services to individuals with OUD, including the local Hub.

2.13. The Contractor shall communicate client needs with the Hub(s) to ensure client access to financial assistance through flexible needs funds managed by the Hub(s).

2.14. The Contractor shall maintain the infrastructure necessary to:

2.14.1. Achieve the goals of MAT expansion.

2.14.2. Meet SAMHSA requirements.

2.14.3. Deliver effective medical care to patients served under this contract.

2.15. The Contractor shall actively participate in state-funded projects which include, but are not limited to:

2.15.1. "Community of Practice for MAT."

2.15.2. Project-specific trainings.

2.15.3. Quarterly web-based discussions.

2.15.4. On-site Technical Assistance (TA) visits.

2.15.5. Ad hoc communication with expert consultants on MAT clinical care topics such as Hepatitis C Virus (HCV) and Human Immunodeficiency Virus (HIV) prevention, diversion risk mitigation and other relevant issues.

2.16. The Contractor shall ensure compliance with confidentiality requirements which include, but are not limited to:

2.16.1. Federal and state laws and New Hampshire state administrative rules.

2.16.2. HIPAA Privacy Rule.

2.16.3. 42 C.F.R Part 2.

2.17. The Contractor shall have policies and procedures in place to ensure that all staff are trained in the areas listed in Subsection 2.16 and will safeguard all confidential information.

2.18. The Contractor shall participate in all evaluation activities associated with the funding opportunity, including national evaluations.

2.19. The Contractor shall utilize a Quality Management System (QMS) to support quality improvement in order to ensure the standard of care for clients continuously improves which includes, but is not limited to:

2.19.1. Sustaining and improving performance in all patient care areas and supportive areas.

2.19.2. Improving the health and quality of life of community members.

2.19.3. Optimizing safety and preventing adverse events.

2.20. The Contractor shall implement correction action based on ongoing monitoring, using findings reported to the Senior Team and their CQI (Quality Improvement) Committee through the use of the FOCUS model (Find a process, Organize, Clarify, Understand, and Select a strategy) and the PDSA Cycle (Plan, Do, Study, Act).

2.21. The Contractor shall utilize the State's Prescription Drug Monitoring Program (PDMP) database to mitigate prescription drug diversion or harmful interactions.

2.22. The Contractor shall develop, obtain Department approval, and implement outreach and marketing activities specifically designed to engage the population(s) identified in the community using MAT and wrap around services that are culturally appropriate and follow Culturally and Linguistically Appropriate Standards (CLAS) standards.

2.23. The Contractor shall assess, plan, implement, and have improvement measures for the program.

2.24. The Contractor shall ensure meaningful input of patients in program assessment, planning, implementation, and improvement by implementing a We're Listening campaign, which allows patients to provide feedback through formal surveys and formal and/or informal sharing with individuals and departments including, but not limited to:

2.24.1. Staff.

2.24.2. The Department manager.

2.24.3. The Quality, Safety, and Patient Experience Department.

2.24.4. The Patient Relations Coordinator.

2.25. The Contractor shall have billing capabilities which include, but are not limited to:

2.25.1. Enrolling with Medicaid and other third party payers.

2.25.2. Contracting with managed care organizations and insurance companies for MAT.

2.25.3. Having a proper understanding of the hierarchy of the billing process.

2.26. The Contractor shall assist patients with obtaining either on-site or off-site RSSs including, but not limited to:

2.26.1. Transportation.

2.26.2. Childcare.

2.26.3. Peer support groups.

2.26.4. Recovery coach.

2.27. The Contractor shall establish agreements with specialty treatment organizations that can provide higher levels of OUD treatment and co-occurring mental health treatment.

2.28. If training or other services on behalf of the Department involve the use of social media or a website which solicits information of individuals, the Contractor shall collaborate with the DHHS Communications Bureau to ensure that NH DoIT website requirements are met, and that any Protected Health Information (PHI), Substance Use Disorder treatment data (SUD), Personal Information (PI), or other confidential information solicited shall not be maintained, stored or captured and shall not be further disclosed except as expressly provided in the contract.

2.29. Unless specifically required by the contract and unless clear notice is provided to users of the website or social media, the Contractor shall ensure that site visitation will not be tracked, disclosed or used for website or social media analytics or marketing.

3. Additional Scope of Services for Pregnant and Postpartum Women

3.1. The Contractor shall provide trauma-informed MAT services and supports to pregnant and postpartum women up to twelve (12) months postpartum.

3.2. The Contractor shall provide patients with referrals to resources including, but not limited to:

3.2.1. Local counselors.

3.2.2. Financial counselors.

3.2.3. Transportation assistance.

3.3. The Contractor shall ensure patient-centered, effective, integrated care and attention to overdose prevention by using tools that include, but are not limited to care guidelines for Obstetric and Gynecologic (OB/GYN) providers and delivery hospitals developed by the Northern New England Perinatal Quality Improvement Network (NNEPQIN), when applicable.

3.4. The Contractor shall ensure ongoing communication and care coordination with entities involved in the patients' care including, but not limited to child protective services, treatment providers, and home visiting services, when applicable.

3.5. The Contractor shall ensure that treatment is provided in a child-friendly environment with RSS available to participants including, but not limited to childcare.

3.6. The Contractor shall provide patients with access to Caring for Kids pediatric services which includes, but is not limited to:

3.6.1. Twenty-four hour, seven day a week (24/7) on-call pediatricians.

3.6.2. A family friendly, comfortable location.

3.6.3. Designated areas for well and sick children.

3.6.4. Experienced pediatricians who are:

3.6.4.1. Engaged in the community.

3.6.4.2. Leaders in community health for children.

3.6.5. Private Mother's Room for nursing mothers and a Lactation Support Group with a certified lactation consultant.

3.6.6. Depression screenings and referrals for new mothers.

3.7. The Contractor shall provide patients with access to Caring for Women services that provide:

3.7.1. Obstetric/gynecological (OBGYN) healthcare to women of all ages.

3.7.2. Prenatal care.

3.7.3. Meetings with a social worker who determines any trauma history and refers patients to appropriate care.

3.7.4. Written information on topics including, but not limited to:

3.7.4.1. The risks of substance use while pregnant.

3.7.4.2. Neonatal abstinence syndrome.

3.7.4.3. Breastfeeding.

3.7.4.4. The interactions of pharmacotherapy.

3.8. The Contractor shall participate in the development of an infant Plan of Safe Care (POSC) with birth attendants, the infant's parents or guardians, and the Department for each infant affected by illicit substance use, withdrawal symptoms, or a Fetal Alcohol Spectrum Disorder in order to:

3.8.1. Ensure the safety and well-being of the infant.

3.8.2. Address the health and opioid use treatment needs of the infant and affected family members or caregivers.

3.8.3. Ensure that appropriate referrals are made.

3.8.4. Ensure that services are delivered to the infant and affected family members or caregivers.

3.9. The Contractor shall provide parenting supports to patients including, but not limited to:

3.9.1. Parenting groups.

3.9.2. Childbirth education.

3.9.3. Safe sleep education.

3.9.4. Well child education.

4. Staffing

4.1. The Contractor shall meet the minimum MAT team staffing requirements which includes, but is not limited to at least one (1):

4.1.1. Waivered prescriber.

4.1.2. Masters Licensed Alcohol and Drug Counselor (MLADC); or master licensed behavioral health provider with addiction training.

4.1.3. Care coordinator.

4.1.4. Non-clinical/administrative staff.

4.1.5. Recovery Coach/Patient Navigator.

4.2. The Contractor shall ensure that all unlicensed staff providing treatment, education, and/or RSS:

4.2.1. Are under the direct supervision of a licensed supervisor.

4.2.2. Receive confidentiality training pursuant to vendor policies and procedures in compliance of NH State administrative rule, and state and federal laws.

4.3. The Contractor shall ensure that no licensed supervisor supervises more than twelve (12) unlicensed staff, unless the Department has approved an alternative supervision plan.

4.4. The Contractor shall ensure that unlicensed staff providing clinical or RSS hold a CRSW within twelve (12) months of hire or from the effective date of this contract, whichever is later.

5. Training

5.1. The Contractor shall ensure the availability of initial and on-going training resources to all staff to include buprenorphine waiver training for interested physicians, nurse practitioners, and physician assistants.

5.2. The Contractor shall develop a plan, for Department approval, to train and engage appropriate staff regarding buprenorphine waiver training.

5.3. The Contractor shall participate in training and technical assistant activities as directed by the Department including, but not limited to the Community of Practice for MAT which may include, but is not limited to:

5.3.1. Project-specific trainings, including trainings on coordinating client referrals for collection of data through the Government Performance and Results Modernization Act of 2010 (GPRA).

5.3.2. Quarterly web-based discussions.

5.3.3. On-site technical assistance visits.

5.3.4. Ad hoc communication with expert consultants regarding MAT clinical care topics including, but not limited to:

5.3.4.1. HCV and HIV prevention.

5.3.4.2. Diversion risk mitigation.

5.3.4.3. Other relevant issues.

5.4. The Contractor shall train staff as appropriate on relevant topics including, but not limited to:

5.4.1. MAT (e.g. prescriber training for buprenorphine).

5.4.2. Care coordination.

5.4.3. Trauma-informed wrap around care/RSS delivery best practices.

5.4.4. Evidence-Based Practices (EBPs) such as Screening, Brief Intervention, and Referral to Treatment (SBIRT), Cognitive Behavioral Therapy (CBT), and other training needs.

5.4.5. Safeguarding protected health information (PHI), substance use disorder treatment information (SUD) and any individually identifiable patient information.

6. Reporting and Deliverable Requirements

6.1. The Contractor shall coordinate the sharing of client data and service needs with the Hub(s) to ensure that each patient served has a GPRA interview completed at intake, three (3) months, six (6) months, and discharge.

6.2. The Contractor shall gather and submit de-identified, aggregate patient data to the Department quarterly using a Department-approved method. The data collected will include, but not be limited to:

6.2.1. Diagnoses.

6.2.2. Demographic characteristics.

6.2.3. Substance use.

6.2.4. Services received.

6.2.5. Types of MAT received.

6.2.6. Length of stay in treatment.

6.2.7. Employment status.

6.2.8. Criminal justice involvement.

6.2.9. Housing.

6.3. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA.

6.4. The Contractor shall provide a final report with de-identified, aggregate data to the Department within thirty (30) days of the termination of the contract regarding work plan progress including, but not limited to:

6.4.1. Policies and practices established.

6.4.2. Outreach activities.

6.4.3. Demographics (gender, age, race, ethnicity) of population served.

6.4.4. Outcome data (as directed by the Department).

6.4.5. Patient satisfaction findings.

6.4.6. Description of challenges encountered and action taken.

6.4.7. Other progress to date.

6.4.8. A sustainability plan to continue to provide MAT services to the target population(s) beyond the completion date of the contract, subject to approval by the Department.

7. Performance Measures

7.1. The Contractor shall ensure that 50% of individuals with OUD referred to the Contractor for MAT services receive at least three (3) clinically-appropriate, MAT-related services.

7.2. The Contractor shall ensure that 100% of patients referred by other Hub(s) have proper consents in place for transfer of information for the purposes of data collection between the other Hub(s) and the Contractor.

7.3. The Contractor shall increase the number of patients enrolled in the MAT program by 25%.

7.4. The Contractor shall ensure that 50% of patients remain in the program for twelve (12) months.

7.5. The Contractor shall exceed customer expectations by achieving Clinician and Group Consumer Assessment of Healthcare Providers and Systems (CG-CAHP) scores equal to or greater than the 75th percentile ranking.

7.6. The Contractor shall ensure Provider Dashboard data meets or exceeds national benchmarks according to CG-CAHPS measurement tool.

1. General

1.1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

1.3. This contract is funded with funds from the US Department of Health and Human Services, Substance Abuse and Mental Health Administration, Catalog of Federal Domestic Assistance (CFDA #) 93.788.

1.4. The Contractor shall keep detailed records of their activities related to Department-funded programs and services.

1.5. Payment for said services shall be made monthly as follows:

1.5.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.

1.5.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate payment.

1.5.3. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

1.5.4. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

1.5.5. In lieu of hard copies, all invoices shall be assigned an electronic signature and emailed to Abby.Shockley@dhhs.nh.gov.

1.5.6. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

1.6. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining further approval from the Governor and Executive Council.

1.7. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

2. State Opioid Response (SOR) Grant Standards

2.1. In order to receive payments for services provided through SOR grant funded initiatives, the Contractor shall establish formal information sharing and referral agreements with all Hubs that comply with all applicable confidentiality laws, including 42 CFR Part 2.

2.2. The Contractor shall complete patient referrals to applicable Hubs for substance use disorder services within two (2) business days of a client's admission to the program.

2.3. The Contractor shall not receive payment for any invoices for services provided through SOR grant funded initiatives until the Department verifies that the Contractor has completed all required patient referrals; verification of patient referrals shall be completed through the New Hampshire Web Information Technology System (WITS) and through audits of Contractor invoices.

2.4. The Contractor shall ensure that only FDA-approved MAT for OUD is utilized. FDA-approved MAT for OUD includes:

2.4.1. Methadone.

2.4.2. Buprenorphine products, including:

2.4.2.1. Single-entity buprenorphine products.

2.4.2.2. Buprenorphine/naloxone tablets,

2.4.2.3. Buprenorphine/naloxone films.

2.4.2.4. Buprenorphine/naloxone buccal preparations.

2.4.2.5. Long-acting injectable buprenorphine products.

2.4.2.6. Buprenorphine implants.

2.4.2.7. Injectable extended-release naltrexone.

2.5. The Contractor shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

2.6. The Contractor shall provide the Department with timelines and implementation plans associated with SOR funded activities to ensure services are in place within thirty (30) days of the contract effective date.

2.6.1. If the Contractor is unable to offer services within the required timeframe, the Contractor shall submit an updated implementation plan to the Department for approval to outline anticipated service start dates.

2.6.2. The Department reserves the right to terminate the contract and liquidate unspent funds if services are not in place within ninety (90) days of the contract effective date.

2.7. The Contractor shall ensure that patients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

2.8. The Contractor shall assist patients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

2.9. The Contractor shall accept patients for MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

2.10. The Contractor shall coordinate with the NH Ryan White HIV/AIDs program for patients identified as at risk of or with HIV/AIDS.

2.11. The Contractor shall ensure that all patients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

3. Maintenance of Fiscal Integrity

3.1. In order to enable DHHS to evaluate the Contractor's fiscal integrity, the Contractor agrees to submit to DHHS monthly, the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement for the Contractor. The Profit and Loss Statement shall include a budget column allowing for budget to actual analysis. Statements shall be submitted within thirty (30) calendar days after each month end. The Contractor will be evaluated on the following:

3.1.1. Days of Cash on Hand:

3.1.1.1. Definition: The days of operating expenses that can be covered by the unrestricted cash on hand.

3.1.1.2. Formula: Cash, cash equivalents and short term investments divided by total operating expenditures, less depreciation/amortization and in-kind plus principal payments on debt divided by days in the reporting period. The short-term investments as used above must mature within three (3) months and should not include common stock.

3.1.1.3. Performance Standard: The Contractor shall have enough cash and cash equivalents to cover expenditures for a minimum of thirty (30) calendar days with no variance allowed.

3.1.2. Current Ratio:

3.1.2.1. Definition: A measure of the Contractor's total current assets available to cover the cost of current liabilities.

3.1.2.2. Formula: Total current assets divided by total current liabilities.

3.1.2.3. Performance Standard: The Contractor shall maintain a minimum current ratio of 1.5:1 with 10% variance allowed.

3.1.3. Debt Service Coverage Ratio:

3.1.3.1. Rationale: This ratio illustrates the Contractor's ability to cover the cost of its current portion of its long-term debt.

3.1.3.2. Definition: The ratio of Net Income to the year to date debt service.

3.1.3.3. Formula: Net Income plus Depreciation/Amortization Expense plus Interest Expense divided by year to date debt service (principal and interest) over the next twelve (12) months.

3.1.3.4. Source of Data: The Contractor's Monthly Financial Statements identifying current portion of long-term debt payments (principal and interest).

3.1.3.5. Performance Standard: The Contractor shall maintain a minimum standard of 1.2:1 with no variance allowed.

3.1.4. Net Assets to Total Assets:

3.1.4.1. Rationale: This ratio is an indication of the Contractor's ability to cover its liabilities.

3.1.4.2. Definition: The ratio of the Contractor's net assets to total assets.

3.1.4.3. Formula: Net assets (total assets less total liabilities) divided by total assets.

3.1.4.4. Source of Data: The Contractor's Monthly Financial Statements.

3.1.4.5. Performance Standard: The Contractor shall maintain a minimum ratio of .30:1, with a 20% variance allowed.

3.2. In the event that the Contractor does not meet either:

3.2.1. The standard regarding Days of Cash on Hand and the standard regarding Current Ratio for two (2) consecutive months; or

3.2.2. Three (3) or more of any of the Maintenance of Fiscal Integrity standards for three (3) consecutive months, then

3.2.3. The Department may require that the Contractor meet with Department staff to explain the reasons that the Contractor has not met the standards.

3.2.4. The Department may require the Contractor to submit a comprehensive corrective action plan within thirty (30) calendar days of notification that 8.2.1 and/or 8.2.2 have not been met.

3.2.4.1. The Contractor shall update the corrective action plan at least every thirty (30) calendar days until compliance is achieved.

3.2.4.2. The Contractor shall provide additional information to assure continued access to services as requested by the Department. The Contractor shall provide requested information in a timeframe agreed upon by both parties.

3.3. The Contractor shall inform the Department by phone and by email within twenty-four (24) hours of when any key Contractor staff learn of any actual or likely litigation, investigation, complaint, claim, or transaction that may reasonably be considered to have a material financial impact on and/or materially impact or impair the ability of the Contractor to perform under this Agreement with the Department.

3.4. The monthly Balance Sheet, Profit & Loss Statement, Cash Flow Statement, and all other financial reports shall be based on the accrual method of accounting and include the Contractor's total revenues and expenditures whether or not generated by or resulting from funds provided pursuant to this Agreement. These reports are due within thirty (30) calendar days after the end of each month.

New Hampshire Department of Health and Human Services

Contractor Name LRGHealthcare

Budget Request for: Medication Assisted Treatment (RFP-2019-BDAS-05-MEDIC)

Budget Period: SFY 19 (Upon G&C approval - 6/30/19)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 351,311.06	$ 13,159.52	$ 364,470.60	$ 245,709.08	$ 13,159.52	$ 258,868.60	$ 105,601.00	$ -	$ 105,601.00
2. Employee Benefits	$ 48,980.45	$ 3,612.00	$ 52,592.45	$ 37,161.65	$ 3,612.00	$ 40,773.65	$ 12,818.00	$ -	$ 12,818.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ 700.00	$ 700.00	$ -	$ 700.00	$ 700.00	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ 8,416.50	$ -	$ 8,416.50	$ 8,416.50	$ -	$ 8,416.50	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ 10,373.00	$ -	$ 10,373.00	$ 10,373.00	$ -	$ 10,373.00	$ -	$ -	$ -
Office	$ 3,700.00	$ 407.00	$ 4,107.00	$ 2,405.00	$ 407.00	$ 2,812.00	$ 1,295.00	$ -	$ 1,295.00
6. Travel	$ 5,500.00	$ -	$ 5,500.00	$ 5,500.00	$ -	$ 5,500.00	$ -	$ -	$ -
7. Occupancy	$ 158,400.00	$ -	$ 158,400.00	$ 158,400.00	$ -	$ 158,400.00	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ 270.00	$ 270.00	$ -	$ 270.00	$ 270.00	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ 2,691.00	$ -	$ 2,691.00	$ 2,691.00	$ -	$ 2,691.00	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ 22,000.00	$ -	$ 22,000.00	$ 22,000.00	$ -	$ 22,000.00	$ -	$ -	$ -
10. Marketing/Communications	$ 3,000.00	$ -	$ 3,000.00	$ -	$ -	$ -	$ 3,000.00	$ -	$ 3,000.00
11. Staff Education and Training	$ 37,676.00	$ 2,064.00	$ 39,740.00	$ 24,676.00	$ 2,064.00	$ 26,740.00	$ 13,000.00	$ -	$ 13,000.00
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 652,048.03	$ 20,212.52	$ 672,260.55	$ 517,332.23	$ 20,212.52	$ 537,544.75	$ 135,714.00	$ -	$ 135,714.00
Indirect As A Percent of Direct		3.1%							

Contractor Initials

Date 4/5/18

New Hampshire Department of Health and Human Services

Contractor Name: LRGHealthcare

Budget Request for: Medication Assisted Treatment (RFP-2019-BDAS-05-MEDIC)

Budget Period: SFY 20 (7/1/19-6/30/20)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 351,311.06	$ 13,159.52	$ 364,470.60	$ 245,709.06	$ 13,159.52	$ 258,868.60	$ 105,601.00	$ -	$ 105,601.00
2. Employee Benefits	$ 48,980.45	$ 3,612.00	$ 52,592.45	$ 37,161.65	$ 3,612.00	$ 40,773.65	$ 12,818.00	$ -	$ 12,818.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ 700.00	$ 700.00	$ -	$ 700.00	$ 700.00	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ 8,416.50	$ -	$ 8,416.50	$ 8,416.50	$ -	$ 8,416.50	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ 10,373.00	$ -	$ 10,373.00	$ 10,373.00	$ -	$ 10,373.00	$ -	$ -	$ -
Office	$ 3,700.00	$ 407.00	$ 4,107.00	$ 2,405.00	$ 407.00	$ 2,812.00	$ 1,295.00	$ -	$ 1,295.00
6. Travel	$ 5,500.00	$ -	$ 5,500.00	$ 5,500.00	$ -	$ 5,500.00	$ -	$ -	$ -
7. Occupancy	$ 158,400.00	$ -	$ 158,400.00	$ 158,400.00	$ -	$ 158,400.00	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ 270.00	$ 270.00	$ -	$ 270.00	$ 270.00	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ 2,691.00	$ -	$ 2,691.00	$ 2,691.00	$ -	$ 2,691.00	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ 22,000.00	$ -	$ 22,000.00	$ 22,000.00	$ -	$ 22,000.00	$ -	$ -	$ -
10. Marketing/Communications	$ 3,000.00	$ -	$ 3,000.00	$ -	$ -	$ -	$ 3,000.00	$ -	$ 3,000.00
11. Staff Education and Training	$ 37,676.00	$ 2,064.00	$ 39,740.00	$ 24,676.00	$ 2,064.00	$ 26,740.00	$ 13,000.00	$ -	$ 13,000.00
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 652,048.03	$ 20,212.52	$ 672,260.55	$ 517,332.23	$ 20,212.52	$ 537,544.75	$ 135,714.00	$ -	$ 135,714.00
Indirect As A Percent of Direct		3.1%							

Contractor Initials KWD

Date 11/5/18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

    7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
    7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

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

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

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

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

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

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

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

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

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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

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

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current 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.

20. **Contract Definitions:**

20.1. 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.

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

20.3. 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 and/or goods to be provided 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.

20.4. 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.

20.5. 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 time to time.

20.6. SUPPLANTING OTHER FEDERAL FUNDS: Funds provided to the Contractor under this Contract will not supplant any existing federal funds available for these services.

Contractor Initials KWD
Date 11/5/18

REVISIONS TO GENERAL PROVISIONS

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

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

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

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

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

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

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

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

3. Renewal:
   The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

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

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   1.2. Establishing an ongoing drug-free awareness program to inform employees about
      1.2.1. The dangers of drug abuse in the workplace;
      1.2.2. The grantee's policy of maintaining a drug-free workplace;
      1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
      1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
      1.4.1. Abide by the terms of the statement; and
      1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

Vendor Initials KWD
Date 4/5/18

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

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

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

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

Vendor Name: LRG HealthCare

11/5/18
Date

Name: Kevin W. Donovan
Title: President & CEO

CERTIFICATION REGARDING LOBBYING

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

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

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

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

Vendor Name: ~~LRG~~ Healthcare

11/5/18
Date

Name: Kevin W. Donovan
Title: President & CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

Vendor Initials KVD
Date 11/5/18

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

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

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

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

Vendor Name: ~~LRGHealthcare~~

11/5/18
Date

Name: Kevin W. Donovan
Title: President & CEO

Vendor Initials KWD
Date 11/5/18

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

The Vendor 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:

Vendor 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.

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 Vendor 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 Vendor agrees to comply with the provisions indicated above.

Vendor Name: LRG Healthcare

11/5/18
Date

Name: Kevin W. Donovan
Title: President & CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Vendor Name: LRGHealthcare

11/5/18
Date

Name: Kevin W. Donovan
Title: President & CEO

Vendor Initials KWD
Date 11/5/18

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Vendor 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 Vendor and subcontractors and agents of the Vendor 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, TitleXIII, 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.

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

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:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- 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

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

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.

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	LRGHealthcare
The State	Name of the Vendor
Signature of Authorized Representative	Signature of Authorized Representative
Katja S Fox	Kevin W. Domagan
Name of Authorized Representative	Name of Authorized Representative
Director	President & CEO
Title of Authorized Representative	Title of Authorized Representative
11/15/18	11/5/18
Date	Date

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

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

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

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

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

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

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

Vendor Name: LRGHealthcare

11/5/18
Date

Name: Kevin W. Donoven
Title: President & CEO

FORM A

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

1. The DUNS number for your entity is: 073968455

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

   _____ NO ____✓____ YES

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

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

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

   _____ NO ____✓____ YES

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

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

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

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "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.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS 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 Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

7.2.2.9 License, Certificates and Permits as Required

State of New Hampshire Certificate of Good Standing

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 LRGHEALTHCARE is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 15, 1893. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **64122**
Certificate Number: **0004186560**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 19th day of September A.D. 2018.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Golda L. Schohan, do hereby certify that:

1. I am a duly elected Officer of LRGHealthcare.

2. The following is a true copy of the resolution duly adopted by the unanimous consent of all members of the Board of Trustees of the Agency:

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 5th day of November, 2018.

4. Kevin W. Donovan is the duly elected President and CEO of the Agency.

Golda L. Schohan, Secretary

STATE OF NEW HAMPSHIRE

County of Belknap

The forgoing instrument was acknowledged before me this 5th day of November, 2018, by Golda L. Schohan.

Holly A. Hudon, Notary Public
State of New Hampshire

(NOTARY SEAL)

Commission Expires: June 21, 2022

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/09/2018

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 have ADDITIONAL INSURED provisions or 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 MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com CN107277064-LRG-gener-18-19	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED LRGHealthcare 80 Highland Street Laconia, NH 03246	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Granite Shield Insurance Exchange INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** NYC-010341171-04 **REVISION NUMBER:** 9

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			GSIE-PRIM-2018-103	01/01/2018	01/01/2019	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 12,000,000
	POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB [ ] OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$
	DED [ ] RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

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

Re: Evidence of General Liability Insurance

Each occurrence and aggregate limits are shared amongst The Granite Shield Exchange Hospitals.

CERTIFICATE HOLDER

State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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 of Marsh USA Inc.

Elizabeth Stapleton

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/09/2018

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 have ADDITIONAL INSURED provisions or 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 CROSS INSURANCE - LACONIA 155 Court Street Laconia NH 03246	CONTACT NAME: Tracy Andriski, CISR PHONE (A/C, No, Ext): (603) 524-2425 FAX (A/C, No): (603) 524-3688 E-MAIL ADDRESS: tandriski@crossagency.com
INSURED LRGHealthcare 80 Highland Street Laconia NH 03246	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: MEMIC Indemnity Company — 11030 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** CL1810965862 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		3102806692	10/01/2018	10/01/2019	☒ PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

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

CERTIFICATE HOLDER

State of New Hampshire Department of Health & Human Services
129 Pleasant Street
Concord NH 03301

CANCELLATION

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

Tracy Andriski

MISSION –

LRGHealthcare's mission is to provide quality, compassionate care and to strengthen the well-being of our community.

VISION-

The LRGHealthcare organization shall be the preeminent provider of high levels of quality health care, patient safety, and overall community satisfaction throughout the Lakes Region of New Hampshire.

LRGHealthcare
2018 BOARD OF TRUSTEES

CHAIR
Scott Sullivan

VICE CHAIR
Cynthia Baron

SECRETARY / TREASURER
Golda Schohan

TRUSTEES

William Bald

Scott Clarenbach

James Clements

Robert Evans, MD

Nancy LeRoy

David Pearlman

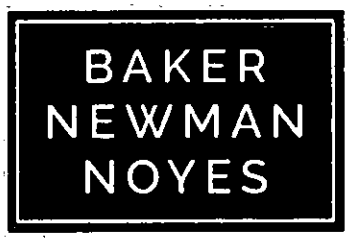
K. Mark Primeau

Stuart Trachy

MEDICAL STAFF REPRESENTATIVES – EX-OFFICIO BOARD MEMBERS
Vercin Ephrem, MD, President of the Medical Staff

Samuel Aldridge, MD, Vice President of the Medical Staff

Paul Racicot, MD, Past President of the Medical Staff



LRGHealthcare and Subsidiary

Audited Consolidated Financial Statements

Years Ended September 30, 2017 and 2016
With Independent Auditors' Report

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

LRGHEALTHCARE AND SUBSIDIARY

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2017 and 2016

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BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
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INDEPENDENT AUDITORS' REPORT

To the Trustees
LRGHealthcare and Subsidiary

We have audited the accompanying consolidated financial statements of LRGHealthcare and Subsidiary, which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LRGHealthcare and Subsidiary as of September 30, 2017 and 2016, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes LLC

Manchester, New Hampshire
January 29, 2018

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2017 and 2016

ASSETS

	2017	2016
Current assets:		
Cash and cash equivalents	$ 3,988,717	$ 8,104,880
Accounts receivable, net of allowance for doubtful accounts of $7.8 million in 2017, $6.3 million in 2016	25,351,735	21,536,833
Other receivables	6,876,450	5,898,943
Current portion of pledges receivable	27,698	39,915
Inventories	5,615,285	5,499,898
Current portion of deferred system development costs	4,999,717	2,481,109
Other prepaid expenses	3,093,234	2,185,299
Total current assets	49,952,836	45,746,877
Assets whose use is limited:		
Under bond indenture held by trustee	10,624,862	10,543,329
Under workers' compensation trust agreement	1,476,176	1,984,507
Under deferred compensation plan	859,360	582,269
By donors or grantors for specific purposes	557,439	787,807
By donors for capital improvements	3,103,594	3,222,835
By donors for permanent endowment funds	2,199,737	2,199,737
Total assets whose use is limited	18,821,168	19,320,484
Long-term investments	240,536	240,536
Property, plant and equipment, net	101,774,091	100,930,665
Other assets	5,513,040	4,668,922
Deferred system development costs, less current portion	19,571,182	16,066,100
Total assets	$ 195,872,853	$186,973,584

LIABILITIES AND NET ASSETS

	2017	2016
Current liabilities:		
Accounts payable	$ 20,202,648	$ 13,471,051
Estimated third-party payor settlements payable	14,569,404	14,084,989
Accrued employee compensation:		
Payroll	4,122,300	3,870,127
Compensated absences	4,235,332	4,094,574
Healthcare and other accrued benefits	702,501	1,151,261
Current portion of long-term debt	4,014,487	3,870,890
Total current liabilities	47,846,672	40,542,892
Long-term debt:		
Note payable	608,034	663,310
Bonds	117,685,287	121,854,225
Less current installments	(4,014,487)	(3,870,890)
Long-term debt, net of current portion	114,278,834	118,646,645
Other long-term liabilities:		
Accrued pension/retirement costs	40,586	4,116,147
Workers' compensation and other liabilities	5,769,360	4,483,220
Total long-term liabilities	120,088,780	127,246,012
Total liabilities	167,935,452	167,788,904
LRGHealthcare net assets:		
Unrestricted	21,911,055	12,738,544
Temporarily restricted	3,661,033	4,119,966
Permanently restricted	2,199,737	2,199,737
Total LRGHealthcare net assets	27,771,825	19,058,247
Noncontrolling interest in consolidated subsidiary	165,576	126,433
Total net assets	27,937,401	19,184,680
Total liabilities and assets	$ 195,872,853	$ 186,973,584

See accompanying notes.

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2017 and 2016

	2017	2016
Unrestricted revenue and other support:		
Net patient service revenue, net of contractual allowances and discounts	$ 215,609,900	$218,479,181
Less provision for doubtful accounts	(13,944,318)	(11,422,443)
Total net patient service revenue less provision for doubtful accounts	201,665,582	207,056,738
Disproportionate share funding	12,337,197	9,884,224
Net assets released from restrictions for operations	725,650	52,994
Other revenue	5,853,369	5,266,085
Total revenue	220,581,798	222,260,041
Expenses:		
Salaries	104,274,631	104,842,730
Payroll taxes	6,417,189	6,651,188
Employee benefits	14,786,848	14,085,440
Purchased services and contracted physicians	26,552,765	26,215,469
Pharmacy supplies	12,587,653	12,311,290
Chargeable supplies	9,601,251	11,418,969
Nonchargeable supplies	6,534,471	7,360,090
Depreciation and amortization	7,317,573	8,319,587
Rent and occupancy expenses	6,957,897	6,858,604
Professional services	1,255,229	1,665,008
Interest expense	5,367,751	5,497,615
Insurance	1,030,706	3,090,456
Repairs	4,397,963	3,696,744
Tuition, advertising and other	2,970,108	2,672,994
Dues, travel and education	1,144,988	1,349,022
New Hampshire Medicaid Enhancement Tax	8,345,548	8,071,019
Total expenses	219,542,571	224,106,225
Income (loss) from operations	1,039,227	(1,846,184)
Nonoperating gains (losses):		
Gifts and bequests	66,882	175,847
Interest and dividend income	394,672	49,625
Gain (loss) on disposal of property, plant and equipment	617,886	(182,490)
Other nonoperating gain	25,495	672,120
Nonoperating gains (losses), net	1,104,935	715,102
Consolidated excess (deficiency) of revenue and nonoperating gains (losses) over expenses	2,144,162	(1,131,082)
Excess of revenue and nonoperating gains (losses) over expenses attributable to noncontrolling interest in consolidated subsidiary	(439,805)	(473,285)
Excess (deficiency) of revenue and nonoperating gains (losses) over expenses attributable to LRGHealthcare	$ 1,704,357	$ (1,604,367)

See accompanying notes.

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2017 and 2016

	2017	2016
LRGHealthcare unrestricted net assets:		
Excess (deficiency) of revenue and nonoperating gains (losses) over expenses attributable to LRGHealthcare	$ 1,704,357	$ (1,604,367)
Adjustment to pension liability	6,250,431	(720,650)
Net assets released from restrictions for equipment purchases and property improvements	851,289	132,364
Unrealized gains (losses) on investments, net	366,434	(55,958)
Increase (decrease) in LRGHealthcare unrestricted net assets	9,172,511	(2,248,611)
LRGHealthcare temporarily restricted net assets:		
Restricted contributions and pledges	1,019,439	1,005,012
Grants	98,567	42,497
Net assets released from restrictions for:		
Equipment purchases and property improvements	(851,289)	(132,364)
Operating purposes	(725,650)	(52,994)
(Decrease) increase in LRGHealthcare temporarily restricted net assets	(458,933)	862,151
Increase (decrease) in LRGHealthcare net assets	8,713,578	(1,386,460)
Noncontrolling interest in consolidated subsidiary:		
Excess of revenue and nonoperating gains over expenses attributable to noncontrolling interest in consolidated subsidiary	439,805	473,285
Contributions, distributions and other changes in noncontrolling interest	(400,662)	(502,140)
Increase (decrease) in noncontrolling interest in consolidated subsidiary	39,143	(28,855)
Increase (decrease) in total net assets	8,752,721	(1,415,315)
Net assets, beginning of year	19,184,680	20,599,995
Net assets, end of year	$27,937,401	$ 19,184,680

See accompanying notes.

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Increase (decrease) in total net assets	$ 8,752,721	$ (1,415,315)
Adjustments to reconcile increase (decrease) in total net assets to net cash provided by operating activities:		
Depreciation and amortization	7,317,573	8,319,587
(Gain) loss on disposal of property, plant and equipment	(617,886)	182,490
Provision for doubtful accounts	13,944,318	11,422,443
Adjustment to pension liability	(6,250,431)	720,650
Contributions, distributions and other changes in noncontrolling interest in consolidated subsidiary	400,662	502,140
Restricted contributions, pledges and grants	(1,118,006)	(1,047,509)
Unrealized (gains) losses on investments, net	(366,434)	55,958
Changes in operating assets and liabilities:		
Accounts receivable	(17,759,220)	(3,598,923)
Estimated third-party settlements payable	484,415	5,472,669
Other receivables	(977,507)	(1,011,704)
Inventories	(115,387)	(219,621)
Deferred system development costs	(2,755,460)	(15,800,129)
Other prepaid expenses	(907,935)	(325,188)
Accounts payable	3,463,367	147,528
Accrued employee compensation	(55,829)	(1,167,774)
Workers' compensation and other liabilities	1,286,140	1,045,167
Accrued pension/retirement costs	2,174,870	2,307,161
Net cash provided by operating activities	6,899,971	5,589,630
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(8,606,470)	(2,016,757)
Proceeds from sale of property, plant and equipment	1,063,357	–
Net increase in other noncurrent assets	(844,118)	(1,621,268)
Decrease (increase) in assets whose use is limited and long-term investments, net	865,750	(701,882)
Net cash used by investing activities	(7,521,481)	(4,339,907)
Cash flows from financing activities:		
Repayment of long-term debt	(4,224,214)	(4,073,011)
Restricted contributions, pledges and grants	1,130,223	1,115,424
Noncontrolling interest in consolidated subsidiary	(400,662)	(502,140)
Net cash used by financing activities	(3,494,653)	(3,459,727)
Net decrease in cash and cash equivalents	(4,116,163)	(2,210,004)
Cash and cash equivalents, beginning of year	8,104,880	10,314,884
Cash and cash equivalents, end of year	$ 3,988,717	$ 8,104,880

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended September 30, 2017 and 2016

	2017	2016
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 5,367,751	$ 5,497,615

Supplemental disclosure of noncash flow information:
During 2017 and 2016, the Hospitals have included $5,626,130 and $2,357,900, respectively, of deferred system development costs in accounts payable.

See accompanying notes.

1. Description of Organization and Summary of Significant Accounting Policies

Organization

LRGHealthcare's mission is to provide accessible, quality, compassionate care and to strengthen the well being of its communities. LRGHealthcare operates two acute care hospitals located in Franklin and Laconia, New Hampshire. The Franklin facility was designated a Critical Access Hospital effective July 1, 2004 and includes 25 acute care beds. Also, on October 1, 2013, the Franklin facility opened a 10 bed designated psychiatric receiving facility. The Laconia facility includes 137 acute care beds and was designated a Rural Referral Center in 1986 and a Sole Community Hospital in 2009. The facilities provide emergency care, ambulatory surgical units and medical practices.

LRGHealthcare is a New Hampshire nonprofit corporation formed in November 1893 and is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The accompanying consolidated financial statements include the accounts of LRGHealthcare's wholly-owned workers' compensation trust (see note 11). The accompanying consolidated financial statements also include the accounts of Hillside ASC, LLC (Hillside). LRGHealthcare owns a 65.3% interest in Hillside at September 30, 2017 and 2016. Hillside is an ambulatory surgical center located in Gilford, New Hampshire. The consolidated group is collectively referred to herein as "the Hospitals."

Effective June 25, 2015 the Hospitals and Speare Memorial Hospital formed Asquam Community Health Collaborative, LLC (ACHC). ACHC was initially capitalized by contributions of $5,000 made by each member. ACHC has two equal members and may admit additional members in the future with the consent of the original members. ACHC's purpose is to conduct (1) joint purchasing, management and use arrangements involving information technology and other major equipment; (2) shared administrative and other supportive services; (3) the exchange of wage, price, cost and/or clinical outcomes (i.e., quality data) as permitted by law; (4) development and/or participation in innovative healthcare delivery platforms; and (5) other activities as determined by consent of the members. ACHC's initial activity is to jointly purchase an Electronic Healthcare Record (EHR) system. The Hospitals are accounting for ACHC under the equity method and have recorded their share of the ownership interest in ACHC of $3,138 and $5,000 at September 30, 2017 and 2016, respectively, in other assets in the accompanying consolidated statements of financial position. ACHC entered into a noninterest bearing note payable in 2017 with an unrelated party. The members are a guarantor of the note payable. The balance of the note payable was approximately $1,600,000 at September 30, 2017.

Principles of Consolidation

All significant intercompany balances and transactions have been eliminated in the consolidation. Noncontrolling interests in the less-than-wholly-owned consolidated subsidiary of LRGHealthcare are presented as a component of total equity to distinguish between the interests of LRGHealthcare and the interests of the noncontrolling owners. Revenues, expenses and nonoperating gains from this subsidiary are included in the consolidated amounts presented on the consolidated statements of operations. Excess (deficiency) of revenue and nonoperating gains (losses) over expenses attributable to LRGHealthcare separately presents the amounts attributable to the controlling interest for each of the years presented.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Noncontrolling Interests

Noncontrolling interests represent the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. LRGHealthcare's accompanying consolidated financial statements include all assets, liabilities, revenues and expenses at their consolidated amounts, which include the amounts attributable to LRGHealthcare and the noncontrolling interest. LRGHealthcare recognizes as a separate component of equity and earnings the portion of income or loss attributable to noncontrolling interests based on the portion of the entity not owned by LRGHealthcare.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds and short-term investments with original maturities of three months or less, excluding assets whose use is limited and long-term investments.

The Hospitals maintain their cash in bank deposit accounts, which at times may exceed federally insured limits. The Hospitals have not experienced any losses on such accounts.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospitals analyze their past history and identify trends for each of their major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospitals analyze contractually due amounts and provide an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospitals record a provision for doubtful accounts in the period of service on the basis of their past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospitals' allowance for doubtful accounts for self-pay patients increased from 63% of self-pay accounts receivable at September 30, 2016 to 67% of self-pay accounts receivable at September 30, 2017. The Hospitals' net self-pay bad debt writeoffs increased $955,383 from $11,302,443 in 2016 to $12,257,826 in 2017. The change in the allowance as a percentage of self-pay accounts receivable and bad debt writeoffs was a result of collection trends, payor mix and the overall balance in self-pay accounts receivable.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Investments and Investment Income

Investments, including funds held by trustee under bond indenture, are carried at fair value in the accompanying consolidated statements of financial position. Realized gains or losses on the sale of investment securities are determined by the specific identification method. Except as described in the following paragraph, investment interest and dividends on unrestricted funds are treated as nonoperating gains and losses. Unrealized gains and losses on investments are excluded from the excess (deficiency) of revenue and nonoperating gains (losses) over expenses unless the losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe these declines are other-than-temporary.

The investments in joint ventures are reported on the equity method of accounting and are recorded at amounts that approximate the Hospitals' equity in the underlying net assets of the entities.

Interest income attributable to operating funds are reported within other revenue in the accompanying consolidated statements of operations. Operating funds are determined by the Hospitals as being 20 days or less of working capital requirements.

Investment Policies

The Hospitals' investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Specific purpose funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

The goal with respect to the management of endowment funds is to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The Hospitals target a diversified asset allocation that places emphasis on achieving their long-term return objectives within prudent risk constraints.

Assets Whose Use is Limited

Assets whose use is limited include assets held by trustees under bond indenture, workers' compensation reserves, employee deferred compensation plan and donor-restricted investments.

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost, determined using the "first-in, first-out" (FIFO) method, or net realizable value.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase, or fair value at time of donation, less reductions in carrying value based upon impairment and less accumulated depreciation. The Hospitals' policy is to capitalize expenditures for major improvements and charge maintenance and repairs for expenditures which do not extend the lives of the related assets. The provision for depreciation is computed on the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives. See also note 6. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Donations of fixed assets, or funds received to acquire property and equipment, are reported at fair value when received in temporarily restricted net assets and transferred to unrestricted net assets when the asset is acquired or placed in service.

Net Patient Service Revenue

The Hospitals have agreements with third-party payors that provide for payments to the Hospitals at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

The Hospitals recognize patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospitals provide a discount approximately equal to that of their largest private insurance payors. On the basis of historical experience, a significant portion of the Hospitals' uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospitals record a significant provision for doubtful accounts related to uninsured patients in the period the services are provided.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospitals believe that they are in compliance with all applicable laws and regulations and are not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. See also note 4.

Excess (Deficiency) of Revenue and Nonoperating Gains (Losses) Over Expenses

The Hospitals have deemed all activities as ongoing, major or central to the provision of healthcare services and, accordingly, they are reported as operating revenue and expenses. Peripheral transactions are reported as nonoperating gains or losses.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

The consolidated statements of operations include excess (deficiency) of revenue and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenue and nonoperating gains (losses) over expenses, consistent with industry practice, include the change in net unrealized gains and losses on investments, other than losses considered other-than-temporary, the pension liability adjustments and contributions of long-lived assets, including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets.

Charity Care

The Hospitals provide care to patients who meet certain criteria under their charity care policies without charge or at amounts less than their established rates (see note 2). Because the Hospitals do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospitals' total expenses divided by gross patient service revenue.

Classification of Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by the Hospitals has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as either net assets released from restrictions for operations (for noncapital related items) or as net assets released from restrictions used for equipment purchases and property improvements (capital related items). Permanently restricted net assets have been restricted by donors to be maintained by the Hospitals in perpetuity. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

In accordance with the *Uniform Prudent Management Institutional Funds Act* (UPMIFA), the Hospitals consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending Policy for Appropriation of Assets for Expenditure

Spending policies may be adopted by the Hospitals, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The Hospitals evaluate their spending policies on an annual basis.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Estimated Workers' Compensation and Healthcare Claims

The Hospitals are self-insured with respect to certain employee workers' compensation and healthcare costs. The provision for estimated workers' compensation and healthcare claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported (see note 11).

Volunteer Hours (Unaudited)

Volunteers contributed 21,255 and 20,978 hours in donated services in 2017 and 2016, respectively. Volunteers perform a number of varied activities for the Hospitals including pharmacy, patient and mail transport as well as filing and reception duties. The monetary value of such services has not been reflected in the accompanying consolidated financial statements.

Grant Revenue and Expenditures

Revenues and expenses under grant programs are recognized as the related expenditures are incurred.

Advertising, Marketing Costs and Community Affairs

Advertising, marketing and related costs are charged to operations when incurred. Such amounts totaled $930,742 in 2017 and $605,443 in 2016.

Income Taxes

The Hospitals, with the exception of Hillside, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Hospitals' tax positions and concluded the Hospitals have maintained their tax-exempt status, do not have any significant unrelated business income and have taken no uncertain tax positions that require adjustment to or disclosure in the consolidated financial statements. Hillside is a for-profit subsidiary and is a limited liability company. As such, the subsidiary is subject to state taxation but is not subject to federal taxation. Deferred taxes are not significant at September 30, 2017 and 2016.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates include the allowance for doubtful accounts and contractual adjustments, estimated third-party payor settlements, malpractice and health insurance reserves, and actuarial assumptions used in determining pension obligations and expense and workers' compensation costs.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Hospitals expect to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the Hospitals on October 1, 2018. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The Hospitals are evaluating the impact that ASU 2014-09 will have on their consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Hospitals on October 1, 2019, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The Hospitals are currently evaluating the impact of the pending adoption of ASU 2016-02 on their consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities* (Topic 958) (ASU 2016-14). Under ASU 2016-14, the existing three-category classification of net assets (i.e., unrestricted, temporarily restricted and permanently restricted) will be replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions". ASU 2016-14 also enhances certain disclosures regarding board designations, donor restrictions and qualitative information regarding management of liquid resources. In addition to reporting expenses by functional classifications, ASU 2016-14 will also require the consolidated financial statements to provide information about expenses by their nature, along with enhanced disclosures about the methods used to allocate costs among program and support functions. ASU 2016-14 is effective for the Hospitals' fiscal year ending September 30, 2019, with early adoption permitted. The Hospitals are currently evaluating the impact of the pending adoption of ASU 2016-14 on their consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU 2017-07). ASU 2017-07 will require that an employer report the service cost component of net periodic pension cost in the same line item as other compensation costs arising from services rendered by employees during the period. The other components of net periodic pension cost are required to be presented in the statement of operations separately and outside a subtotal of income from operations, if one is presented. ASU 2017-07 is effective for the Hospitals on October 1, 2018, with early adoption permitted. The Hospitals are currently evaluating the impact of the pending adoption of ASU 2017-07 on their consolidated financial statements.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management of the Hospitals evaluated events occurring between the end of the Hospitals' fiscal year and January 29, 2018, the date the consolidated financial statements were available to be issued.

Reclassifications

Certain 2016 amounts have been reclassified to conform with the current year presentation.

2. Charity Care and Community Benefits (Unaudited)

The mission of the Hospitals is to provide quality, accessible healthcare services to patients regardless of their ability to pay. The Hospitals subsidize certain healthcare services, provide outreach and educational programs, build community population partnerships, provide free and discounted healthcare services and subsidize costs exceeding government sponsored healthcare reimbursement.

The estimated costs of providing community benefits and charity care for the years ended September 30 are:

	2017	2016
Charity care	$ 750,000	$ 682,000
Community programs and subsidized services	24,762,000	25,862,000
Government sponsored healthcare	20,146,000	22,070,000
	$45,658,000	$48,614,000

3. Concentrations

Financial instruments which subject the Hospitals to concentrations of credit risk consist of cash equivalents, patient accounts receivable and investments, including assets whose use is limited. The risk with respect to cash equivalents is minimized by the Hospitals' policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospitals have not experienced any losses on cash equivalents. The Hospitals' patient accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. Investments do not represent significant concentrations of specific market risk inasmuch as the Hospitals' investment portfolio is adequately diversified among various issues. No investments exceeded 10% of investments as of September 30, 2017.

3. Concentrations (Continued)

Additionally, the Hospitals' patient mix consists of local residents and vacationing tourists, many of whom are insured under third-party payor agreements. The mix of payors including revenue, discounts and allowances granted excluding community care and the provision for doubtful accounts follows for fiscal years ended September 30 (in millions):

	2017			2016		
	Rev-enue	Discount and Allow-ances	Net Patient Rev-enue	Rev-enue	Discount and Allow-ances	Net Patient Rev-enue
Medicare	$262.1	$(173.6)	$ 88.5	$253.2	$(174.5)	$ 78.7
Medicaid	62.6	(50.3)	12.3	80.6	(62.7)	17.9
Insurance – fees for service	185.1	(87.0)	98.1	191.5	(77.4)	114.1
Patients and Healthlink	13.3	(4.2)	9.1	10.7	(5.4)	5.3
Employee health plan	14.6	(7.0)	7.6	10.6	(8.1)	2.5
	$537.7	$(322.1)	$215.6	$546.6	$(328.1)	$218.5

Concentrations of credit risk from gross receivables from patients and third-party payors are as follows at September 30:

	2017	2016
Medicare	41.57%	34.13%
Medicaid	9.31	14.09
Commercial insurers	32.92	34.91
Patients	16.20	16.87
	100.00%	100.00%

4. Net Patient Service Revenue

The Hospitals have agreements with third-party payors that provide for payments to the Hospitals at amounts different from their established rates. Similarly, patients are offered prompt payment discounts through the Hospitals' Patient Advantage Program. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge (DRGs). These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. Inpatient non-acute services are paid based on a fixed prospective payment system, again varying according to clinical diagnosis and other factors. As a Sole Community Hospital, the payment is the higher of the hospital specific or federal specific rate.

4. **Net Patient Service Revenue (Continued)**

Since August 2000, outpatient services are reimbursed under the Medicare Outpatient Prospective Payment System (OPPS). Payments are made at a fixed rate based upon each service as categorized by Medicare's Ambulatory Payment Classifications (APCs). As a result, the materiality of prospectively determined settlement adjustments diminished. The Hospitals' classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review. In 2009, LRGHealthcare was designated a Sole Community Hospital by Medicare adding to its previous designation as a Rural Referral Center.

Effective July 1, 2004, the Franklin facility was classified as a Critical Access Hospital. Thereafter, inpatient, non-acute services related to Medicare beneficiaries are paid based on a blended rate comprised of fixed fee schedules for laboratory services to non-patients and a cost reimbursement methodology. The Franklin facility is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at rates prospectively determined per discharge (DRGs). Outpatient services are reimbursed under a cost reimbursement methodology and a fixed laboratory fee schedule. The Hospitals are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals subject to audits thereof by the Medicaid fiscal intermediary.

Settlements

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated statements of financial position represents the estimated net amounts to be received/paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (CMS) (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provisions. Settlements for the Laconia facility have been finalized through 2014 for Medicare and Medicaid. Settlements for the Franklin facility have been finalized through 2013 for Medicare and 2014 for Medicaid. Income from operations increased by approximately $379,000 for the year ended September 30, 2017 and decreased by approximately $1,300,000 for the year ended September 30, 2016 (primarily due to an increase in reserves for disproportionate share payments as discussed below), respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

In 2016, the Hospitals were notified by CMS that a final determination was made regarding a Sole Community Hospital Volume Decrease Adjustment that was requested by the Hospitals for the fiscal year ended September 30, 2011. The final amounts approved by CMS totaled $3,697,623 for the fiscal year ended September 30, 2011. Accordingly, the Hospitals received $3,697,623 in fiscal year 2016 relating to the fiscal year ended September 30, 2011 adjustment. In addition, revenues totaling $3,697,623 and $3,304,461 were recorded within other revenue in the accompanying consolidated statements of operations for the year ended September 30, 2016.

4. Net Patient Service Revenue (Continued)

Other

The Hospitals have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospitals under these agreements includes discounts from established charges, DRG indexed payments, fee schedule based payments and retrospective cost based reimbursement.

Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of the Hospitals' net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospitals for fiscal 2017 and 2016 was $8,345,548 and $8,071,019, respectively. The Hospitals have accrued approximately $2,050,000 and $2,020,000 in MET at September 30, 2017 and 2016, respectively. These amounts are included in accounts payable in the accompanying consolidated statements of financial position at September 30, 2017 and 2016.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In 2017 and 2016, the Hospitals recognized disproportionate share funding totaling $12,337,197 and $9,884,224, respectively.

As part of the State's biennial budget process for the two-year period ending June 30, 2013, it eliminated disproportionate share payments to certain New Hampshire hospitals, excluding hospitals classified as critical access. For the periods ending June 30, 2017 and 2016, the State included the hospitals not classified as critical access as qualifying for disproportionate share payments. The Hospitals have recorded receivables totaling approximately $2,375,000 at September 30, 2017 and 2016, representing the portion of disproportionate share payments expected to be received related to the Hospitals' fiscal year.

CMS has completed audits of the State's program and the disproportionate share payments made by the State in 2011 and 2012, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The Hospitals have recorded reserves to address their exposure based on CMS's audit results to date. Approximately $6,300,000 in reserves relating to these audits is included in estimated third-party payor settlements payable in the accompanying consolidated statement of financial position at September 30, 2017 and 2016.

4. Net Patient Service Revenue (Continued)

Summary of Patient Service Revenues

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for doubtful accounts recognized in 2017 and 2016 from these major payor sources, is as follows (in millions):

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2017				
Private payors (includes coinsurance and deductibles)	$185.1	$ (87.0)	$ (6.1)	$ 92.0
Medicaid	62.6	(50.3)	(0.6)	11.7
Medicare	262.1	(173.6)	(2.4)	86.1
Self-pay and Healthlink	13.3	(4.2)	(4.7)	4.4
Employee health plan	14.6	(7.0)	(0.1)	7.5
	$537.7	$(322.1)	$(13.9)	$201.7
2016				
Private payors (includes coinsurance and deductibles)	$191.5	$ (77.4)	$ (5.0)	$109.1
Medicaid	80.6	(62.7)	(0.5)	17.4
Medicare	253.2	(174.5)	(2.0)	76.7
Self-pay and Healthlink	10.7	(5.4)	(3.8)	1.5
Employee health plan	10.6	(8.1)	(0.1)	2.4
	$546.6	$(328.1)	$(11.4)	$207.1

5. Assets Whose Use is Limited and Long-Term Investments

The composition of investments at September 30, 2017 and 2016 is set forth in the table shown below at fair value.

	2017	2016
Assets whose use is limited:		
Under bond indenture held by Trustees:		
Cash and cash equivalents	$10,624,862	$10,543,329
Under workers' compensation trust agreement:		
Cash and cash equivalents	102,503	21,594
U.S. Treasury obligations	–	31,751
Mutual funds	1,285,437	1,782,286
Nonfinancial assets	88,236	148,876
	1,476,176	1,984,507
Under deferred compensation plan:		
Mutual funds	859,360	582,269
Donor restricted assets:		
Cash and cash equivalents	5,860,770	6,158,669
Other investments	–	51,710
	5,860,770	6,210,379
Total assets whose use is limited	18,821,168	19,320,484
Long-term investments:		
Cash and cash equivalents	238,575	238,575
Marketable equity securities	1,961	1,961
Total long-term investments	240,536	240,536
Total assets whose use is limited and long-term investments	$19,061,704	$19,561,020

The following schedule summarizes total investment return and its classification for the year ended September 30, 2017, with totals for comparative purposes shown for 2016:

	2017				
	Unre-stricted	Tempo-rarily Restricted	Perma-nently Restricted	2017 Total	2016 Total
Interest and dividends	$394,672	$ –	$ –	$394,672	$ 49,625
Unrealized gains (losses), net	366,434	–	–	366,434	(55,958)
Total investment return	$761,106	$ –	$ –	$761,106	$ (6,333)

5. Assets Whose Use is Limited and Long-Term Investments (Continued)

In evaluating whether the investments have suffered an other-than-temporary decline, based on input from outside investment advisors, management evaluated the amount of the decline compared to cost, the length of time and extent to which fair value has been less than cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year, estimated future fair values and the Hospitals' intent and ability to hold the security until a recovery in fair value or maturity. There were no securities in an unrealized loss position at September 30, 2017 and 2016.

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	September 30, 2017 (In Millions)			September 30, 2016 (In Millions)		
	Cost	Accum. Depre.	Net	Cost	Accum. Depre.	Net
Land	$ 1.8	$ –	$ 1.8	$ 1.8	$ –	$ 1.8
Land improvements	3.8	(2.9)	0.9	3.8	(2.9)	0.9
Buildings	81.6	(32.8)	48.8	81.3	(31.9)	49.4
Equipment – major	83.5	(62.6)	20.9	77.1	(60.3)	16.8
Equipment – fixed	56.4	(30.9)	25.5	56.7	(29.6)	27.1
	227.1	(129.2)	97.9	220.7	(124.7)	96.0
Construction in process and deposits	3.9	–	3.9	4.9	–	4.9
Total property, plant and equipment	$231.0	$(129.2)	$101.8	$225.6	$(124.7)	$100.9

The Hospitals own real property which is leased to providers of health services, several small business concerns and charitable organizations. As of September 30, 2017, the cost basis of rented property was $2,640,840 and accumulated depreciation was $2,174,951. Gross rents received during the years ended 2017 and 2016 included in other revenue were $263,333 and $240,833, respectively.

In 2016, the Hospitals engaged an independent third party to assist in reassigning the useful lives of certain property, plant and equipment as of October 1, 2015. The impact of changes to estimated useful lives of certain property, plant and equipment of the Hospitals was reported as a change in accounting estimate in 2016. Depreciation expense before this change in estimate for the year ended September 30, 2016 was $11,252,523. As a result of this change in estimate, depreciation expense for 2016 was reduced by $2,932,936 to $8,319,587.

7. Long-Term Debt

The following bond issues have primarily been used to finance or refinance construction projects, renovations and capital acquisitions of property and equipment.

2015 Bonds

On September 30, 2015, the Hospitals refunded their existing 2010 Series Bonds outstanding (see below) of $133,265,000 through the issuance of $125,871,960 in fixed rate Federal Housing and Urban Development Insured Mortgage Revenue Bonds with an interest rate of 3.70%. The balance of these bonds at September 30, 2017 and 2016 was $117,685,287 and $121,854,225, respectively. The refunding transaction reduces the Hospitals' total interest costs through the maturity of the refunded bonds. As of September 30, 2017, the amount of defeased 2010 Series Bonds payable not included in the accompanying consolidated statements of financial position was $130,065,000.

The Hospitals have granted as collateral for the 2015 bonds substantially all property and equipment (excluding the assets of Hillside) and are required to comply with certain restrictive financial covenants. For the year ended September 30, 2017, the Hospitals were in compliance with all required financial covenants, except for the average payment period, current ratio, days cash on hand, and the equity financial ratio.

Note Payable

During 2014, LRGHealthcare entered into a note payable with the State of New Hampshire Department of Health and Human Services in the amount of $829,138 for the construction of a Designated Receiving Facility on the Franklin campus. The note is noninterest bearing and requires annual payments of $55,276 over a fifteen year period. The balance of this note at September 30, 2017 and 2016 was $608,034 and $663,310, respectively.

Interest expense incurred on the bonds and note payable was approximately $5,368,000 and $5,498,000 in 2017 and 2016, respectively.

Principal payments on the bonds and note payable outstanding at September 30, 2017 for each of the following years ending September 30 are as follows:

2018	$ 4,014,487
2019	4,530,108
2020	4,698,514
2021	4,873,257
2022	5,054,577
Thereafter	95,122,378
	$118,293,321

7. Long-Term Debt (Continued)

Revolving Lines of Credit

On October 9, 2015, the Hospitals entered into a $6,000,000 unsecured revolving line of credit agreement with a bank, which is due on demand. The line of credit agreement bears interest at the Wall Street Journal prime rate (4.25% at September 30, 2017). As of September 30, 2017 and 2016, there was no outstanding balance on this line of credit.

On August 17, 2017, the Hospitals entered into a $9,000,000 180 day short-term revolving line of credit agreement with a bank. The line of credit is secured by the Hospitals' accounts receivable with a bank, is due on demand or upon expiration, and bears interest at the Wall Street Journal prime rate plus one-half percent (4.75% at September 30, 2017). As of September 30, 2017, there was no outstanding balance on this line of credit.

Amounts Held by Trustees

The Hospitals are required to maintain bond escrow funds for the monthly payments made by the Hospitals which, in turn, enable the Trustee to fund a debt service reserve and required semi-annual interest payments and annual principal payments due on the Series 2015 bond issue at September 30, 2017 and 2016. Amounts held in bond escrow funds totaled $10,624,862 and $10,543,329 at September 30, 2017 and 2016, respectively.

8. Retirement Plans

The Hospitals have two retirement plans covering substantially all of their employees.

The Hospitals have a tax sheltered annuity based retirement plan (TSA plan). The TSA plan is a defined contribution plan available to all employees of the Hospitals. There are no employer contributions made to the TSA plan. At September 31, 2017 and 2016, the Hospitals have recorded $859,360 and $582,269 on the accompanying consolidated statements of financial position in assets whose use is limited and other liabilities.

The Hospitals also have a defined benefit plan. During 2017, the mortality assumption was updated to use the RP-2017 mortality tables to reflect a modified MP-2017 mortality improvement scale. During 2016, the mortality assumption was updated to use the RP-2016 mortality tables to reflect a modified MP-2016 mortality improvement scale.

The defined benefit plan has received a favorable determination letter dated March 15, 2012.

The defined benefit plan accruals ended December 31, 2004. Those accruals provided for a plan benefit payable upon normal retirement (age 65) of 1.625% of the employee's average highest five consecutive years' earnings during the employee's last 10 years of employment for each year of service up to 25 years. Participants may elect a lump sum form of payment. Beginning January 1, 2005, under the 2005 amendment, a new account was established to accumulate employer contributions and investment credits to be added to the grandfathered defined benefit amount. Those additions will be identical to the cash balance credits described below.

8. **Retirement Plans (Continued)**

At retirement, grandfathered employees receive the greater of benefits under the defined benefit plan as described above or the cash balance plan. Under the cash balance plan, a participant's January 1, 1995 plan benefit was present valued into a separate account balance in the participant's name which then became the employee's retirement benefit. Thereafter, account additions are determined at 7% of compensation up to $25,000 and 3% thereafter for participants with less than 10 years of service or 4% for participants with 10 or greater years of service. Interest additions are credited at a predetermined rate of interest not to exceed 5.5%. However, ad hoc increases have been made. The interest rate credits for fiscal years 2017 and 2016 were 0.91% and 0.49%, respectively.

The following table sets forth the principal actuarial assumptions used to compute the net periodic pension cost and pension benefit obligations at September 30.

	2017	2016
Principal actuarial assumptions used to determine net periodic pension cost:		
Discount rate	3.73%	4.36%
Expected return on plan assets	7.00	7.00
Salary increases	3.00	3.00
Principal actuarial assumptions used to determine benefit obligations:		
Discount rate	4.01%	3.73%
Salary increases	3.00	3.00

The expected long-term return on asset assumption is reviewed annually, taking into consideration the current and expected future allocation of assets, and the expected long-term return on these asset classes. Historical real returns and expected future inflation are considered as factors in estimating the expected long-term return on these asset classes. The difference between actual investment return and the 7.00% long-term return assumption is amortized over five years. Were the plan to terminate, different assumptions and other factors might be applicable in determining the projected benefit obligation.

The following table sets forth the changes in projected benefit obligations, changes in plan assets, components of net periodic benefit cost and reconciliation of prepaid or accrued pension cost:

	September 30	
	2017	2016
Change in projected benefit obligation:		
Projected benefit obligation at the beginning of the year	$ 69,943,563	$ 65,189,551
Service cost	2,765,070	2,639,475
Interest cost	2,565,913	2,789,685
Distributions	(5,105,791)	(4,658,096)
Assumption changes	(1,949,587)	4,161,202
Experience gain	(629,267)	(178,254)
Projected benefit obligation at the end of the year	$ 67,589,901	$ 69,943,563

8. Retirement Plans (Continued)

	September 30	
	2017	2016
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year	$ 65,827,416	$ 64,101,215
Actual return on plan assets	6,827,690	6,384,297
Administrative expenses	(451,966)	(216,405)
Benefits paid	(4,653,825)	(4,441,691)
Fair value of plan assets at the end of the year	$ 67,549,315	$ 65,827,416
Funded status	$ (40,586)	$ (4,116,147)
Components of net periodic pension cost:		
Service cost	$ 2,765,070	$ 2,639,475
Interest cost	2,565,913	2,789,685
Expected return on plan assets	(4,531,975)	(4,412,169)
Net prior service cost amortization	19,159	30,050
Amortization of loss	1,356,833	1,260,120
Net periodic pension cost	$ 2,175,000	$ 2,307,161
Reconciliation of net statement of financial position liability:		
Net statement of financial position liability at beginning of year	$ (4,116,147)	$ (1,088,336)
Amount recognized in accumulated other comprehensive liability at end of prior year	21,778,786	21,058,136
Prepaid benefit cost (before adjustment) at end of prior year	17,662,639	19,969,800
Net periodic benefit cost for fiscal year	(2,175,000)	(2,307,161)
Prepaid benefit cost (before adjustment) at end of current year	15,487,639	17,662,639
Amount recognized in accumulated other comprehensive liability at end of current year	(15,528,225)	(21,778,786)
Net statement of financial position liability at end of current year	$ (40,586)	$ (4,116,147)

The accumulated benefit obligation was $64,091,760 and $65,763,822 at September 30, 2017 and 2016, respectively.

8. **Retirement Plans (Continued)**

The PPA legislates funding levels for defined benefit plans that will exceed the Plan's projected benefit obligation within the next seven years. The Hospitals expect to contribute, at a minimum, the required amounts under the PPA into the Plan for the year ending September 30, 2017. There is no expected contribution for 2018. Benefits expected to be paid by the Plan during the ensuing five years and five years thereafter are approximately as follows:

2018	$ 3,588,500
2019	3,384,100
2020	4,368,900
2021	4,691,500
2022	3,892,200
Five year period thereafter	21,912,100

The total unrecognized loss and prior year service cost are $15,493,915 and $34,310 at September 30, 2017. The loss and prior year service cost amount expected to be recognized in net periodic benefit cost in 2018 are as follows:

Actuarial loss	$960,943
Prior service cost	10,901
	$971,844

Pension Plan Assets

The primary investment objective of the Hospitals' Retirement Plan is to provide pension benefits for their members and their beneficiaries by ensuring a sufficient pool of assets to meet the Plan's current and future benefit obligations. These funds are managed as permanent funds with disciplined longer-term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

Management of plan assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation and providing liquidity as needed for plan benefits. Total annualized return, adjusted for trading costs and management fees, achieved by each investment manager of an actively managed portfolio, is expected to equal or exceed an index comprised of 60% of the Vanguard Index Trust 500 Fund and 40% of the Vanguard Total Bond Market Fund.

The Plan aims to assume a moderate level of risk and a diversified portfolio. The Plan invests in one money market account and three mutual funds at September 30, 2017. A periodic review is performed of the pension plan's investments in various asset classes.

8. Retirement Plans (Continued)

The fair values of the assets at September 30, 2017 are as follows (see note 15 for level definitions):

	Level 1	Level 2	Level 3	Total
Money market fund	$ 575,947	$ –	$ –	$ 575,947
Mutual funds:				
Index fund - domestic	33,738,458	–	–	33,738,458
Index fund - international	7,781,064	–	–	7,781,064
Index fund - fixed income	25,453,846	–	–	25,453,846
	66,973,368	–	–	66,973,368
Total assets at fair value	$67,549,315	$ –	$ –	$67,549,315

The fair values of the assets at September 30, 2016 are as follows (see note 15 for level definitions):

	Level 1	Level 2	Level 3	Total
Money market fund	$ 634,921	$ –	$ –	$ 634,921
Mutual funds:				
Index fund - domestic	31,906,277	–	–	31,906,277
Index fund - international	7,159,216	–	–	7,159,216
Index fund - fixed income	26,127,002	–	–	26,127,002
	65,192,495	–	–	65,192,495
Total assets at fair value	$65,827,416	$ –	$ –	$65,827,416

9. Leases

The Hospitals have a number of lease agreements with noncancellable terms of more than one year. These include various family health practices and properties leased pursuant to professional service agreements. Leases extend for varying periods and most include renewal options subject to adjustment in the rental amount. Leases that expire are generally expected to be renewed or replaced by other leases, or the Hospitals' owned property will be utilized if available.

The future annual minimum rental payments required under noncancellable operating leases are as follows:

2018	$1,812,027
2019	1,727,008
2020	801,592
2021	802,673
2022	269,698
Thereafter	1,481,304

9. Leases (Continued)

Rent expense for all operating leases including month-to-month rentals for 2017 and 2016 was approximately $1,719,000 and $749,000, respectively.

10. Functional Expenses

The Hospitals provide general healthcare services to residents and vacationing tourists within their geographic area. Expenses, excluding the New Hampshire Medicaid Enhancement Tax, interest expense, depreciation and amortization related to providing these services are as follows:

	September 30	
	2017	2016
Expenses:		
Nursing services	$ 18,277,967	$ 30,426,811
Other professional services	125,861,751	123,347,371
General services	8,669,606	13,790,871
Administrative services	45,702,375	34,652,951
	$198,511,699	$202,218,004

11. Self Insurance

Employee Health Insurance

The Hospitals have a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The Hospitals recognize revenue for services provided to employees of the Hospitals during the year. The Hospitals are insured above a stop-loss amount of $300,000 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2017 and 2016, have been recorded as a liability of $702,501 and $1,151,261, respectively, and are reflected in the accompanying consolidated statements of financial position within healthcare and other accrued benefits.

Workers' Compensation Trust

The Hospitals self-insure their workers' compensation claims and have established a tax-exempt trust, revocable subject to State law retained funding level restrictions for the payment of workers' compensation settlements. Professional insurance consultants have been engaged to assist the Hospitals with determining funding amounts. The financial position and operations of the Trust have been consolidated with these statements. A stop loss policy is in place to limit liability exposure to $600,000 per occurrence.

11. Self Insurance (Continued)

Losses from asserted claims and from unasserted claims identified under the Hospitals' incident reporting system are accrued as reported based on estimates that incorporate industry past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. Accruals for possible losses attributable to incidents that may have occurred but that have not been identified under the incident reporting system have been made based upon industry experience and management's judgment. The Trust's estimate for all claims outstanding was $2,290,000 and $1,655,342 as of September 30, 2017 and 2016, respectively. Assets held in trust to meet such claims amounted to $1,476,176 and $1,984,507 at September 30, 2017 and 2016, respectively.

12. Commitments

In addition to commitments made in the ordinary course of business, the Hospitals have entered into the following agreements:

Participation Agreement Between ACHC and the Hospitals

In conjunction with the formation of ACHC, the Hospitals have entered into a participation agreement with ACHC whereby the Hospitals, as an ACHC member, have agreed to participate in ACHC's agreements with Cerner Corporation (Cerner) and S&P Consultants, Inc. (S&P) and share in 80% of the costs of the services as defined in the Cerner and S&P agreements related to the implementation of an EHR system to provide services to the Hospitals and Speare Memorial Hospital. Speare Memorial Hospital has agreed to participate in 20% of those costs. The Cerner agreement has an initial term of seven years with successive 36-month terms, and the S&P agreement is a continuous agreement. The following schedule reflects the Hospitals' share of future minimum payments to ACHC under the Cerner agreement as of September 30, 2017:

2018	$ 2,312,010
2019	2,312,010
2020	2,472,010
2021	2,472,010
2022	1,854,007
	$11,422,047

Based on the terms of the participation agreement with ACHC, the costs being paid for by the Hospitals are being treated as deferred system development costs and are being expensed over the remaining term of the agreement over the estimated useful life of the assets. Deferred system development costs as of September 30, 2017 and 2016 were $24,570,899 and $18,547,209, respectively. Amounts expensed within purchased services and contracted physicians in the accompanying consolidated statements of operations under this agreement were $3,587,603 in 2017. No amounts were expensed in 2016.

In September 2017, ACHC terminated its agreement with S&P. In August 2017, ACHC entered into a three year agreement with Huntzinger Management Group, Inc. (Huntzinger). The Huntzinger agreement requires monthly payments of $118,000 through July 2020. The Hospitals' anticipated share of total costs under this new agreement is $3,398,400.

12. Commitments (Continued)

Purchased Services

The Hospitals contract for services with various specialty practice healthcare providers. The professional service agreements secure access to providers of obstetric, occupational health, surgical, emergency, integrated multi-specialty and other services for patients in the community. Contract terms vary but all provide for trial periods (which have lapsed) with cancellation clauses followed by longer term commitments with remaining terms ranging from one to three years. These agreements, prepared in accordance with Medicare anti-fraud and abuse laws, include employee lease arrangements, real and personal property leases and individual physician compensation agreements based upon nationally based medical procedure surveys. Consistent with the Hospitals' mission, the physician organizations agree to extend their services to patients without regard to the ability to personally pay and expand coverage areas to all communities served by the Hospitals. The contractual gross obligations, excluding benefits of such arrangements, are projected to be $26.5 million for the year ended September 30, 2017 and similar amounts for subsequent years.

Repurchase Contracts

Repurchase contracts on condominium units within the Laconia medical office building and High Street condominium units obligate the Hospitals to reacquire units which have previously been sold. At September 30, 2017, this commitment amounted to approximately $1.7 million.

13. Net Assets

The Board of Trustees designated a portion of the Hospitals' unrestricted net assets for the following purposes:

	September 30	
	2017	2016
To provide for charity care (Nighswander Fund)	$5,316,075	$5,316,075

Temporarily Restricted Net Assets

Donors contributed assets with the following restrictions. Once donor conditions are satisfied, funds may be disbursed for their specific use.

	September 30	
	2017	2016
Capital improvements	$2,451,111	$3,302,400
Other special purpose funds	1,209,922	817,566
Total temporarily restricted net assets	$3,661,033	$4,119,966

13. Net Assets (Continued)

In 2017 and 2016, the Hospitals released $725,650 and $52,944, respectively, from temporarily restricted net assets for operations and $851,289 and $132,364, respectively, from temporarily restricted net assets for capital improvements.

Permanently Restricted Net Assets

Permanently restricted net assets have been restricted by donors for the following purposes and are to be maintained by the Hospitals in perpetuity. Accordingly, only income and gains may be used for those purposes.

	September 30	
	2017	2016
Charity care	$1,294,034	$1,294,034
General Hospital use	750,699	750,699
Other purposes	155,004	155,004
Total permanently restricted net assets	$2,199,737	$2,199,737

There was no activity related to endowment funds within permanently restricted net assets in 2017 and 2016.

14. Contingencies

Medical Malpractice Claims

Prior to January 1, 2011, the Hospitals were insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. Effective January 1, 2011, the Hospitals insure their medical malpractice risks through a multiprovider captive insurance company. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At September 30, 2017, there were no known malpractice claims outstanding for the Hospitals which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required specific loss accruals, except as noted below. The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The Hospitals' interest in the captive represents approximately 15% of the captive at September 30, 2017 and 2016, although control of the captive is equally shared by participating hospitals. The Hospitals have recorded their interest in the captive's equity, totaling approximately $1,456,000 at September 30, 2017 and $793,000 at September 30, 2016, in other assets on the accompanying consolidated statements of financial position. Changes in the Hospitals' interest are included in nonoperating gains (losses) on the accompanying consolidated statements of operations. The Hospitals have established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Hospitals.

14. Contingencies (Continued)

In accordance with ASU No. 2010-24, at September 30, 2017 and 2016, the Hospitals recorded a liability of approximately $2,620,000 and $2,232,000, respectively, related to estimated professional liability losses. At September 30, 2017 and 2016, the Hospitals also recorded a receivable of approximately $2,620,000 and $2,232,000, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in workers' compensation and other liabilities, and other assets, respectively, on the consolidated statements of financial position.

New Hampshire Medical Malpractice Joint Underwriting Association Settlement

On August 12, 2011, pursuant to a legislative mandate, the New Hampshire Medical Malpractice Joint Underwriting Association (JUA) set aside $85 million of excess surplus funds for return to JUA policyholders. This amount was transferred to the policyholders' claims administrator on November 15, 2012. The JUA also segregated additional funds totaling $25 million pending resolution of certain JUA tax matters which was released in 2013. The entirety of these funds totaling $110 million had been the subject of a dispute between the JUA's policyholders and the state of New Hampshire (the State) with respect to the State's intent to transfer $110 million of JUA excess surplus to the State's general fund. This dispute resulted in a state of New Hampshire Supreme Court ruling in 2011 which held that the State's intended transfer would unconstitutionally impair JUA policyholders' contractual rights. In 2015, the New Hampshire legislature approved in the 2015 session both the ending of the JUA and taking no claim in the remaining assets after liquidation of liabilities. There was an estimate at the time of the legislation of $23 million in liability for the JUA. At December 31, 2014, the JUA had assets of greater than $117 million. Class action litigation was filed in December 2015 to recover the monies in a structure similar to the prior recovery and LRGHealthcare is again a lead plaintiff. Subsequently, net of a payment of $23,156,298 to MedPro on closing of an Assumption Agreement, the JUA's booked liabilities, the return of tail premium, and paid or accrued JUA expenses, the Insurance Commission of the State of New Hampshire (the Receiver) now has custody of liquid assets of the JUA constituting its remaining surplus funds in excess of $87 million. Further, the Receiver and the plaintiffs, through external counsel, negotiated a holdback or reserve of a portion of this surplus to secure or fund, if necessary, any theoretical liability on the Receiver's contractual liabilities, the JUA's one year covenants to MedPro under the Assumption Agreement expiring August 25, 2017 and/or the JUA's final tax returns. This holdback agreement, if approved by the court, permits the Receiver's immediate interpleader of $50 million for distribution to policyholders with the balance of funds to follow in subsequent transfers by the Receiver before the Receiver is finally discharged, in a manner similar to that accomplished in the prior class proceeding. Net of this holdback, therefore, the Receiver has liquid funds the Receiver is submitting forthwith by interpleader to the jurisdiction of this Receiver Court in the amount of $50 million.

15. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of nonperformance risk including the Hospitals' own credit risk.

15. Fair Value Measurements (Continued)

The FASB's codification establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Hospitals perform a detailed analysis of their assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the fiscal year ended September 30, 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent with prior years.

The following presents the balances of assets and liabilities measured at fair value on a recurring basis at September 30:

	Level 1	Level 2	Level 3	Total
2017				
Long-term investments:				
Cash and cash equivalents	$ 238,575	$ –	$ –	$ 238,575
Marketable equity securities	1,961	–	–	1,961
	$ 240,536	$ –	$ –	$ 240,536
Assets whose use is limited:				
Cash and cash equivalents	$16,588,135	$ –	$ –	$16,588,135
Mutual funds	2,144,797	–	–	2,144,797
Other	88,236	–	–	88,236
	$18,821,168	$ –	$ –	$18,821,168

15. Fair Value Measurements (Continued)

	Level 1	Level 2	Level 3	Total
2016				
Long-term investments:				
Cash and cash equivalents	$ 238,575	$ –	$ –	$ 238,575
Marketable equity securities	1,961	–	–	1,961
	$ 240,536	$ –	$ –	$ 240,536
Assets whose use is limited:				
Cash and cash equivalents	$16,723,592	$ –	$ –	$16,723,592
U.S. Treasury obligations	31,751	–	–	31,751
Mutual funds	2,364,555	–	–	2,364,555
Other	148,876	51,710	–	200,586
	$19,268,774	$51,710	$ –	$19,320,484

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 fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated statements of financial position and statements of operations.

Other financial instruments consist of cash and cash equivalents, patient accounts receivable, other receivables, pledges receivable, accounts payable, estimated third-party payor settlements and long-term debt. The fair value of all financial instruments approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value.

KEVIN W. DONOVAN, FACHE

Summary of Qualifications:

Proven, health care executive experienced working in environments demanding strong leadership, operations and relationship skills. Confident and poised in interactions with individuals at all levels.

Experience:

LRGHealthcare, Laconia, NH

President and Chief Executive Officer – 2016 to Present

- President and CEO for a $230 million net revenue, not-for-profit health system representing Lakes Region General Hospital (137 bed acute care hospital), Franklin Regional Hospital (35 bed critical access hospital) and over 20 affiliated medical practices and groups.

Mt. Ascutney Hospital and Health Center & Dartmouth-Hitchcock, Windsor, VT

President and Chief Executive Officer – 2010 to 2016

- President and CEO for a $55 million net revenue, health care organization with a 25 bed acute care hospital, 10 bed inpatient acute rehabilitation program, employed provider network, community grant foundation, 46 bed assisted living facility and 25 bed skilled nursing facility.

Elliot Health System, Manchester, NH

Senior Vice President, Clinical Operations – 2008 to 2010

- Served as a member of the senior leadership team of a $400 million net revenue health system with primary responsibility for management of ancillary, inpatient support, outpatient services, ambulatory care, physician/provider practice and regional operations of the health system.

Vice President, Physician Services – 2007 to 2008

- Responsible for ambulatory, physician/provider, and cancer center services of the health system managing areas of responsibility with budgets of $75 million, 400 support staff FTEs, and over 150 physician and provider FTEs.

Dartmouth-Hitchcock, Lebanon, NH

Director, Ambulatory Services – Children's Hospital at Dartmouth (CHaD) – 2002 to 2007

- Directed, managed and led the multi-specialty physician and provider practice of CHaD, including program growth and group practice operations.
- Effectively managed a budget of $17 million for the Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital and a $1 million budget for the Dartmouth Medical School.

Senior Practice Manager – Regional Systems Development Group – 2000 to 2002

Practice Manager – Neurosciences – 1999 to 2000

Affiliated Medical Groups, Quincy, MA and Duxbury, MA

Practice Administrator – 1997 to 1999

Northeast Health System, Inc., Beverly, MA

Practice Administrator – 1996 to 1997

Trustees of Health & Hospitals, Inc., Boston, MA

System Administrator – 1993 to 1994
Computer Support Specialist – 1992 to 1993

Education:

The George Washington University, Washington, DC

- Master of Health Services Administration, May 1997
- Completion of a one-year project oriented residency within Northeast Health System.

Syracuse University, Syracuse, NY

- Bachelor of Science, Information Studies, May 1992

References:

- References are available upon request.

MARGARET P. KERNS

SUMMARY of QUALIFICATIONS

Strong management experience with ability to connect with people both internally and externally. Skilled in process improvement and redesign through a strong systems approach to issue resolution. Knowledge of the healthcare market and core competencies allow for implementation of initiatives aligned with strategic direction.

CORE COMPETENCIES

Strategic Orientation	Results Positioning	Collaboration and Influence
Customer Impact	Change Governance	Team Leadership
Risk Management	People/Organizational Development	

PROFESSIONAL EXPERIENCE

LRGHealthcare, Laconia, NH (1992-Present)

- **Vice President, Clinical Services (8/2014-present)**
  Continued responsibility for Clinical Support Services as listed below, added the additional oversight for Emergency Service Providers, Hospitalist Service, Psychiatry, and the departments of Medical Imaging, Laboratory, Rehabilitation, and Cardiology.
- **Vice President, Clinical Support Services (4/2013-8/2014)**
  Responsible for the oversight, management, growth, and coordination of the departments of Quality and Patient Experience, Care Management, Infection Control and Prevention, Pharmacy, Hematology/Oncology, Clinical Nutrition, Food Service.
- **Director, Medical Safety/Pharmacy/Oncology (4/2012-4/2013)**
  In addition to those responsibilities listed below, added the additional oversight of the Hematology/Oncology Service.
- **Director, Medical Safety/Pharmacy (1/2002-4/2012)**
  Assumed the increased responsibility to co-direct all aspects of patient safety initiatives for LRGHealthcare including hospital and provider practice areas.
- **Director, Pharmacy Services (10/1995-1/2002)**
  Responsible for the strategic vision, growth, and management of two hospital pharmacies, four anticoagulation clinics, a retail pharmacy, oncology pharmacy satellite, and a pharmaceutical assistance program.
- **Staff Pharmacist. Lakes Region General Hospital, Laconia, NH (3/92-10/95)**

Thomas Jefferson· University Hospital, Philadelphia, Pa

- Pharmacist, Administration/Quality Improvement

EDUCATION/LICENSES/CERTIFICATIONS

University of Rhode Island, *Bachelor of Science:* Pharmacy
Registered Pharmacist
Certified Professional in Patient Safety

CURRICULUM VITAE

PAUL F. RACICOT, MD
October 2018

EDUCATION

6/77	**BA**, Bowdoin College, Brunswick, ME Phi Beta Kappa
6/82	**MD**, University of Massachusetts Medical School, Worcester, MA

POST GRADUATE TRAINING

1982 – 1983	**Internship - Internal Medicine**
1983 – 1985	**Residency - Internal Medicine** Berkshire Medical Center, Pittsfield, Massachusetts (a major teaching hospital of UMass Medical School)
1985	Recipient of "Outstanding Resident Teacher Award"

PRACTICE EXPERIENCE

1985 – 1986	**Emergency Room Physician** (Full Time) Hillcrest Hospital, Pittsfield, MA
1986 – 2006	**Director, Emergency Room Services** **Active Staff** with privileges in **Emergency Medicine** **Courtesy Staff** with privileges in **Internal Medicine** Franklin Regional Hospital, Franklin, NH
1986 – 1992	**Visiting Staff** with privileges in **Emergency Medicine** Lakes Region General Hospital, Laconia, NH
1989 – 1995	**Courtesy Staff** with privileges in **Emergency Medicine** Concord Hospital, Concord, NH Huggins Hospital, Wolfeboro, NH
1989 – Present	**Director, Employee/Occupational Health Department** Franklin Regional Hospital, Franklin, NH
1992 – 2006	**Chief, Emergency Services** **Active Staff** with privileges in **Emergency Medicine** Lakes Region General Hospital, Laconia, NH
1997 – 2014	**President, Central NH ER Associates** 174 Philbrook Road, Sanbornton, NH
2000, 2001, 2002	**NH Top ER Doc 2000, 2001, and 2002** *New Hampshire* magazine
2000 – Present	**Medical Director, Horizons Counseling Service** Village West, Gilford, NH 03249
2002 – 2015	**Chairman, Department of Medicine** LRGHealthcare, Laconia, NH
2006 – 2011	**Assistant Director ER Services** Lakes Region General Hospital

Franklin Regional Hospital

2009 – Present	**Clinical Coordinator, 3rd Year Medical Students** LRGHealthcare, Laconia, NH
2010 – Present	**Regional Clinical Dean UNE Medical School,** Biddeford, ME
2015 – 2017	**President of the Medical Staff of LRGHealthcare** Lakes Region General Hospital Franklin Regional Hospital
2017 – Present	**Past President of the Medical Staff of LRGHealthcare**
2015 – Present	**Medical Director Recovery Clinic, LRGHealthcare**

CERTIFICATIONS

09/11/85	**American Board of Internal Medicine**
12/08/89	**American Board of Emergency Medicine**
12/98 – Present	**Certified Medical Review Officer**

TRUSTEE

1988 – 1994	**New Hampshire Hospital Association** 125 Airport Road, Concord, NH
1991 – 2002	**Franklin Regional Hospital** 15 Aiken Avenue, Franklin, NH
2009 – Present	**LRGHealthcare** 80 Highland Street, Laconia, NH

MEMBERSHIP

1986 – Present	**Member, New Hampshire Medical Society**
1995 – 1997	**Member, New Hampshire Board of Medicine**
1997 – Present	**Member, American College of ER Physicians**
2013 – Present	**Treasurer, New Hampshire Medical Society**

REFERENCES

Personal and professional references provided on request

Corey E. Gately

Education

Springfield College School for Human Services, Manchester, NH
Master's of Science in Human Services, concentration in Community Psychology
Graduated May 1995
GPA: 3.9

Keene State College, Keene, NH
Bachelor of Arts in Psychology and Sociology
Associate's in Chemical Dependency
Psychology Honor Society
Graduated May 1993

Experience

January 2018 – present
Plymouth State University
Teaching Lecturer

May 2015 – present
Lakes Region General Healthcare Recovery Clinic – Laconia, NH
Clinical Program Coordinator
Master's Licensed Alcohol and Drug Counselor
DOT Substance Abuse Professional

September 2012 – May 2015
Horizons Counseling Center, Gilford, NH
Intensive Outpatient Substance Abuse Counselor
Master's Licensed Alcohol and Drug Counselor
DOT Substance Abuse Professional

June 2001 - August 2012
Lakes Region General Healthcare, Laconia, NH
Intensive Outpatient Substance Abuse Counselor
Master's Licensed Alcohol and Drug Counselor
DOT Substance Abuse Professional

Current Activities

Franklin Mayor's Task Force
Gilford Together Committee Member
St. Baldrick's Committee Member
Gilford School District Parent Volunteer

NAADAC Member and NHADACA Member
2011 New Hampshire 40 under 40 Award
2012 NHADACA Counselor of the Year
2016 Leadership Lakes Region Participant

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Kevin W. Donovan	President and CEO	$425,000	0	0
Marge Kerns	VP Clinical Services	$210,000	0	0
Paul Racicot, MD	Medical Director	$247,000	5%	$12,350
Corey Gately	Clinical Program Coordinator	$68,078.4	25%	$17,091.60

Subject: Medication Assisted Treatment (RFP-2019-BDAS-05-MEDIC-04)

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

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Mary Hitchcock Memorial Hospital		1.4 Contractor Address One Medical Center Drive Lebanon, NH 03756	
1.5 Contractor Phone Number 603-650-8960	1.6 Account Number 05-95-92-920510-7040 – 500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $311,426
1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature Edward J Merrens		1.12 Name and Title of Contractor Signatory Edward J. Merrens, MD Chief Clinical Officer	

1.13 Acknowledgement: State of New Hampshire County of Grafton

On November 1, 2019, 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]

1.13.2 Name and Title of Notary or Justice of the Peace

Laura Rondeau, Notary Public

1.14 State Agency Signature Date: 11/15/19	1.15 Name and Title of State Agency Signatory Katja S Fox, Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: On: 11/16/2019

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

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

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

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Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

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

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

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

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials
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14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

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

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

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

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

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

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

Contractor Initials _____
Date 11-2-18

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

2. Scope of Work – Community Based

2.1. The Contractor shall provide comprehensive Medication Assisted Treatment (MAT) for individuals with opioid use disorder (OUD) in Integrated Delivery Network (IDN) Region 1, which is comprised of the Greater Monadnock, Greater Sullivan County, and Upper Valley areas. Comprehensive MAT shall include, but not be limited to delivering outpatient or intensive outpatient treatment to individuals with OUD in accordance with the American Society of Addition Medicine (ASAM) criteria.

2.2. The Contractor shall be a certified Opioid Treatment Program in accordance with He-A 304 if methadone is used for patients served under this contract.

2.3. The Contractor shall coordinate services with community-based agencies that provide non-SUD treatment services to individuals with OUD in need of additional human service agency services and supports.

2.4. The Contractor shall ensure patient-centered care and attention to overdose prevention by using tools, which include, but are not limited to:

2.4.1. Center for Disease Control (CDC) opioid prescribing guidelines.

2.4.2. Substance Abuse and Mental Health Services Administration's (SAMHSA's) Opioid Overdose Prevention Toolkit.

2.4.3. State published Guidance Document on Best Practices: Key Components for Delivering Community Based Medication Assisted Treatment Services for Opioid Use Disorders in New Hampshire.

2.5. The Contractor shall provide OUD treatment services that support the Resiliency and Recovery Oriented Systems of Care (RROSC) by operationalizing the Continuum of Care Model. (More information can be found at: http://www.dhhs.nh.gov/dcbcs/bdas/continuum-of-care.htm).

2.6. The Contractor shall provide interim OUD treatment services when the needed treatment services are not available to the client within forty-eight (48) hours of referral. Interim services shall include:

2.6.1. At least one sixty (60) minute individual or group outpatient session per week.

2.6.2. Recovery support services (RSS) as needed by the client.

2.6.3. Daily calls to the client to assess and respond to any emergent needs.

2.7. The Contractor shall ensure that clients are able to move seamlessly between levels of care within a group of services. At a minimum, the Vendors must:

2.7.1. Collaborate with the Continuum of Care Facilitator(s) in the development of a resiliency and recovery oriented system of care (RROSC) in the region(s) served.

2.7.2. Participate in the Regional Continuum of Care Workgroup(s).

2.7.3. Participate in the Integrated Delivery Network(s) (IDNs).

2.7.4. Coordinate all services delivered to clients with the local or other statewide Regional Hub(s) for OUD services (hereafter referred to as Hub(s)) including, but not limited to accepting clinical evaluation results for level of care placement from the Hub(s).

2.8. Before disclosing or re-disclosing any patient information, the Contractor shall ensure that all required patient consent or authorizations to disclose or further disclose confidential protected health information (PHI) or substance use disorder treatment information (SUD) according to all state rule, state and federal law and the special rules for redisclosure in 42 CFR part 2 have been obtained.

2.9. The Contractor shall modify their office electronic health record (EHR) and clinical work flow to ensure required screening activities by clinical staff and appropriate required data collection by care coordinators.

2.10. The Contractor shall establish and maintain formal and effective partnerships with behavioral health, OUD specialty treatment, and Recovery Support Services (RSS), and medical practitioners to meet the needs of the patients served.

2.11. The Contractor shall collaborate and develop formal referral and information sharing agreements with other providers that offer services to individuals with OUD, including the local Hub.

2.12. The Contractor shall communicate client needs with the Hub(s) to ensure client access to financial assistance through flexible needs funds managed by the Hub(s).

2.13. The Contractor shall maintain the infrastructure necessary to:

2.13.1. Achieve the goals of MAT expansion.

2.13.2. Meet SAMHSA requirements; and

2.13.3. Deliver effective medical care to patients served under this contract.

2.14. The Contractor shall actively participate in state-funded projects which include, but are not limited to:

2.14.1. "Community of Practice for MAT."

2.14.2. Project-specific trainings.

2.14.3. Quarterly web-based discussions.

2.14.4. On-site Technical Assistance (TA) visits.

2.14.5. Ad hoc communication with expert consultants on MAT clinical care topics such as Hepatitis C Virus (HCV) and Human Immunodeficiency Virus (HIV) prevention, diversion risk mitigation and other relevant issues.

2.15. The Contractor shall ensure compliance with confidentiality requirements which include, but are not limited to:

2.15.1. Federal and state laws and New Hampshire state administrative rules.

2.15.2. HIPAA Privacy Rule.

2.15.3. 42 C.F.R Part 2.

2.16. The Contractor shall have policies and procedures in place to ensure that all staff are trained in the areas listed in Subsection 2.15 and will safeguard all confidential information.

2.17. The Contractor shall participate in all evaluation activities associated with the funding opportunity, including national evaluations.

2.18. The Contractor shall use data to support quality improvement to ensure the standard of care for clients continuously improves.

2.19. The Contractor shall utilize the State's Prescription Drug Monitoring Program (PDMP) database to mitigate prescription drug diversion or harmful interactions.

2.20. The Contractor shall develop, obtain Department approval, and implement outreach and marketing activities specifically designed to engage the population(s) identified

in the community using MAT and wrap around services that are culturally appropriate and follow Culturally and Linguistically Appropriate Standards (CLAS) standards.

2.21. The Contractor shall ensure outreach and marketing activities include, but are not limited to:

2.21.1. Advertising the Addiction Treatment Program (ATP) on the Contractor's website.

2.21.2. Informing all internal and local potential referrers of service availability though networking.

2.21.3. Providing brochures, business cards, and posters to community organizations to increase awareness of services provided.

2.22. The Contractor shall assess, plan, implement, and have improvement measures for the program.

2.23. The Contractor shall ensure meaningful input of patients in program assessment, planning, implementation, and improvement through the use of a Patient Advisory Board consisting of patients in all stages of the recovery process.

2.24. The Contractor shall have billing capabilities which include, but are not limited to:

2.24.1. Enrolling with Medicaid and other third party payers.

2.24.2. Contracting with managed care organizations and insurance companies for MAT.

2.24.3. Having a proper understanding of the hierarchy of the billing process.

2.25. The Contractor shall assist patients with obtaining either on-site or off-site RSSs including, but not limited to:

2.25.1. Transportation.

2.25.2. Childcare.

2.25.3. Peer support groups.

2.25.4. Recovery coach.

2.26. The Contractor shall establish agreements with specialty treatment organizations that can provide higher levels of OUD treatment and co-occurring mental health treatment.

2.27. If training or other services on behalf of the Department involve the use of social media or a website which solicits information of individuals, the Contractor shall collaborate with the DHHS Communications Bureau to ensure that NH DoIT website requirements are met, and that any Protected Health Information (PHI), Substance Use Disorder treatment data (SUD), Personal Information (PI), or other confidential

information solicited shall not be maintained, stored or captured and shall not be further disclosed except as expressly provided in the contract.

2.28. Unless specifically required by the contract and unless clear notice is provided to users of the website or social media, the Contractor shall ensure site visitation will not be tracked, disclosed or used for website or social media analytics or marketing.

3. Additional Scope of Services for Pregnant and Postpartum Women

3.1. The Contractor shall provide trauma-informed services and supports to pregnant and postpartum women up to twelve (12) months postpartum including, but not limited to:

3.1.1. The Mom's in Recovery program which offers integrated, trauma-informed obstetric, pediatric and MAT services for pregnant women with Substance Use Disorder (SUD) and co-occurring mental health disorders.

3.1.2. Northern New England Perinatal Quality Improvement Network (NNEPQIN) toolkit use to ensure patient-centered, effective, integrated care with attention to the risk of overdose.

3.2. The Contractor shall ensure patient-centered, effective, integrated care and attention to overdose prevention by using tools that include, but are not limited to, care guidelines for Obstetric and Gynecologic (OB/GYN) providers and delivery hospitals developed by the Northern New England Perinatal Quality Improvement Network (NNEPQIN), when applicable.

3.3. The Contractor shall ensure ongoing communication and care coordination with entities involved in the patient's care including, but not limited to, child protective services, treatment providers, and home visiting services, when applicable.

3.4. The Contractor shall ensure that treatment is provided in a child-friendly environment with RSS available to participants including, but not limited to:

3.4.1. Employing a co-located child 'Play Time', where children engage in developmentally appropriate play while their mothers participate in group treatment and receive care without distraction.

3.4.2. On-site well-child care which may lead to referrals from the Contractor to early development supports including, but not limited to, Early Intervention, home visitation programs, and WIC.

3.5. The Contractor shall participate in the development of an infant Plan of Safe Care (POSC) with birth attendants, the infant's parents or guardians, and the Department for each infant affected by illicit substance use, withdrawal symptoms, or a Fetal Alcohol Spectrum Disorder in order to:

3.5.1. Ensure the safety and well-being of the infant.

3.5.2. Address the health and opioid use treatment needs of the infant and affected family members or caregivers.

3.5.3. Ensure that appropriate referrals are made.

3.5.4. Ensure services are delivered to the infant and affected family members or caregivers.

3.6. The Contractor shall provide social, educational, and emotional supports to address parenting and infant care needs including, but not limited to:

3.6.1. Accessing the services of the Family Resource Centers, which includes, but is not limited to:

3.6.1.1. Home visiting.

3.6.1.2. Lactation support.

3.6.1.3. Case management.

3.6.2. Providing parent education groups to program participants on a regular basis which integrate the parenting education curriculum with addiction treatment, so that participants have the opportunity to learn about the impact of substance use on family functioning and healthy child development.

3.6.3. Employing social workers specifically trained in the Circle of Security parent education curriculum, an evidence-based/ evidence-informed early intervention program that promotes parent/child attachment, as well as the Nurturing Program for Families in Substance Abuse Treatment and Recovery curriculum (http://nurturingparenting.com).

3.6.4. Providing educational sessions to all pregnancy groups which includes, but is not limited to the "The Period of Purple Crying" as well as safe sleep practices and car seat safety. This training shall be integrated with newborn nursery and outpatient pediatric follow up.

3.6.5. Working closely with Continuum of Care Coordinators as part of the Region 1 Integrated Delivery Network (IDN).

3.6.6. Participating in the Boyle Program at Dartmouth Hitchcock, which cosponsors and facilitates the Child Focus Forum, a bi-monthly collaborative of medical, governmental and community agencies serving parents and children.

3.6.7. Sponsoring co-location of resources such as a food pantry, infant books, and diaper bank through active partnerships with community agencies such as The Upper Valley Haven and The Family Place.

3.7. The Contractor shall provide parenting supports to patients including, but not limited to:

3.7.1. Parenting groups.

3.7.2. Childbirth education.

3.7.3. Safe sleep education.

3.7.4. Well child education.

3.8. The Contractor shall provide trauma-informed services and supports to pregnant and postpartum women.

4. Staffing

4.1. The Contractor shall meet the minimum MAT team staffing requirements which includes, but is not limited to at least one (1):

4.1.1. Waivered prescriber.

4.1.2. Masters Licensed Alcohol and Drug Counselor (MLADC); or master licensed behavioral health provider with addiction training.

4.1.3. Care coordinator.

4.1.4. Non-clinical/administrative staff.

4.2. The Contractor shall ensure that all unlicensed staff providing treatment, education, and/or RSS:

4.2.1. Are under the direct supervision of a licensed supervisor.

4.2.2. Receive confidentiality training pursuant to vendor policies and procedures in compliance of NH State administrative rule, and state and federal laws.

4.3. The Contractor shall ensure that no licensed supervisor supervises more than twelve (12) unlicensed staff, unless the Department has approved an alternative supervision plan.

4.4. The Contractor shall ensure that unlicensed staff providing clinical or RSS hold a CRSW within twelve (12) months of hire or from the effective date of this contract, whichever is later.

5. Training

5.1. The Contractor shall ensure the availability of initial and on-going training resources to all staff to include buprenorphine waiver training for interested physicians, nurse practitioners, and physician assistants.

5.2. The Contractor shall develop a plan, for Department approval, to train and engage appropriate staff regarding buprenorphine waiver training.

5.3. The Contractor shall participate in training and technical assistant activities as directed by the Department including, but not limited to the Community of Practice for MAT which may include, but is not limited to:

5.3.1. Project-specific trainings, including trainings on coordinating client referrals for collection of data through the Government Performance and Results Modernization Act of 2010 (GPRA).

5.3.2. Quarterly web-based discussions.

5.3.3. On-site technical assistance visits.

5.3.4. Ad hoc communication with expert consultants regarding MAT clinical care topics including, but not limited to:

5.3.4.1. HCV and HIV prevention.

5.3.4.2. Diversion risk mitigation.

5.3.4.3. Other relevant issues.

5.4. The Contractor shall train staff as appropriate on relevant topics including, but not limited to:

5.4.1. MAT (e.g. prescriber training for buprenorphine).

5.4.2. Care coordination.

5.4.3. Trauma-informed wrap around care/RSS delivery best practices.

5.4.4. Evidence-Based Practices (EBPs) such as Screening, Brief Intervention, and Referral to Treatment (SBIRT), Cognitive Behavioral Therapy (CBT), and other training needs.

5.4.5. Safeguarding protected health information (PHI), substance use disorder treatment information (SUD) and any individually identifiable patient information.

6. Reporting and Deliverable Requirements

6.1. The Contractor shall coordinate the sharing of client data and service needs with the Hub(s) to ensure that each patient served has a GPRA interview completed at intake, three (3) months, six (6) months, and discharge.

6.2. The Contractor shall gather and submit de-identified, aggregate patient data to the Department quarterly using a Department-approved method. The data collected will include, but not be limited to:

6.2.1. Diagnoses.

6.2.2. Demographic characteristics.

6.2.3. Substance use.

6.2.4. Services received.

6.2.5. Types of MAT received.

6.2.6. Length of stay in treatment.

6.2.7. Employment status.

6.2.8. Criminal justice involvement.

6.2.9. Housing.

6.3. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA.

6.4. The Contractor shall provide a final report with de-identified, aggregate data to the Department within thirty (30) days of the termination of the contract regarding work plan progress including, but not limited to:

6.4.1. Policies and practices established.

6.4.2. Outreach activities.

6.4.3. Demographics (gender, age, race, ethnicity) of population served.

6.4.4. Outcome data (as directed by the Department).

6.4.5. Patient satisfaction findings.

6.4.6. Description of challenges encountered and action taken.

6.4.7. Other progress to date.

6.4.8. A sustainability plan to continue to provide MAT services to the target population(s) beyond the completion date of the contract, subject to approval by the Department.

7. Performance Measures

7.1. The Contractor shall ensure that 50% of individuals with OUD referred to the Contractor for MAT services receive at least three (3) clinically-appropriate, MAT-related services.

7.2. The Contractor shall ensure that 100% of patients referred by other Hub(s) or service providers for OUD services have proper consents in place for transfer of information for the purposes of data collection between the Hub(s), other service providers and the Contractor.

1. General

1.1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

1.3. This contract is funded with funds from the US Department of Health and Human Services, Substance Abuse and Mental Health Administration, Catalog of Federal Domestic Assistance (CFDA #) 93.788.

1.4. The Contractor shall keep detailed records of their activities related to Department-funded programs and services.

1.5. Payment for said services shall be made monthly as follows:

1.5.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.

1.5.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate payment.

1.5.3. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

1.5.4. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

1.5.5. In lieu of hard copies, all invoices shall be assigned an electronic signature and emailed to Abby.Shockley@dhhs.nh.gov.

1.5.6. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

1.6. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining further approval from the Governor and Executive Council.

1.7. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

2. State Opioid Response (SOR) Grant Standards

2.1. In order to receive payments for services provided through SOR grant funded initiatives, the Contractor shall establish formal information sharing and referral agreements with all Hubs that comply with all applicable confidentiality laws, including 42 CFR Part 2.

2.2. The Contractor shall complete patient referrals to applicable Hubs for substance use disorder services within two (2) business days of a client's admission to the program.

2.3. The Contractor shall not receive payment for any invoices for services provided through SOR grant funded initiatives until the Department verifies that the Contractor has completed all required patient referrals; verification of patient referrals shall be completed through the New Hampshire Web Information Technology System (WITS) and through audits of Contractor invoices.

2.4. The Contractor shall ensure that only FDA-approved MAT for OUD is utilized. FDA-approved MAT for OUD includes:

2.4.1. Methadone.

2.4.2. Buprenorphine products, including:

2.4.2.1. Single-entity buprenorphine products.

2.4.2.2. Buprenorphine/naloxone tablets,

2.4.2.3. Buprenorphine/naloxone films.

2.4.2.4. Buprenorphine/naloxone buccal preparations.

2.4.2.5. Long-acting injectable buprenorphine products.

2.4.2.6. Buprenorphine implants.

2.4.2.7. Injectable extended-release naltrexone.

2.5. The Contractor shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

2.6. The Contractor shall provide the Department with timelines and implementation plans associated with SOR funded activities to ensure services are in place within thirty (30) days of the contract effective date.

2.6.1. If the Contractor is unable to offer services within the required timeframe, the Contractor shall submit an updated implementation plan to the Department for approval to outline anticipated service start dates.

2.6.2. The Department reserves the right to terminate the contract and liquidate unspent funds if services are not in place within ninety (90) days of the contract effective date.

2.7. The Contractor shall ensure that patients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

2.8. The Contractor shall assist patients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

2.9. The Contractor shall accept patients for MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

2.10. The Contractor shall coordinate with the NH Ryan White HIV/AIDs program for patients identified as at risk of or with HIV/AIDS.

2.11. The Contractor shall ensure that all patients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

3. Maintenance of Fiscal Integrity

3.1. In order to enable DHHS to evaluate the Contractor's fiscal integrity, the Contractor agrees to submit to DHHS monthly, the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement for the Contractor. The Profit and Loss Statement shall include a budget column allowing for budget to actual analysis. Statements shall be submitted within thirty (30) calendar days after each month end. The Contractor will be evaluated on the following:

3.1.1. Days of Cash on Hand:

3.1.1.1. Definition: The days of operating expenses that can be covered by the unrestricted cash on hand.

3.1.1.2. Formula: Cash, cash equivalents and short term investments divided by total operating expenditures, less depreciation/amortization and in-kind plus principal payments on debt divided by days in the reporting period. The short-term investments as used above must mature within three (3) months and should not include common stock.

3.1.1.3. Performance Standard: The Contractor shall have enough cash and cash equivalents to cover expenditures for a minimum of thirty (30) calendar days with no variance allowed.

3.1.2. Current Ratio:

3.1.2.1. Definition: A measure of the Contractor's total current assets available to cover the cost of current liabilities.

3.1.2.2. Formula: Total current assets divided by total current liabilities.

3.1.2.3. Performance Standard: The Contractor shall maintain a minimum current ratio of 1.5:1 with 10% variance allowed.

3.1.3. Debt Service Coverage Ratio:

3.1.3.1. Rationale: This ratio illustrates the Contractor's ability to cover the cost of its current portion of its long-term debt.

3.1.3.2. Definition: The ratio of Net Income to the year to date debt service.

3.1.3.3. Formula: Net Income plus Depreciation/Amortization Expense plus Interest Expense divided by year to date debt service (principal and interest) over the next twelve (12) months.

3.1.3.4. Source of Data: The Contractor's Monthly Financial Statements identifying current portion of long-term debt payments (principal and interest).

3.1.3.5. Performance Standard: The Contractor shall maintain a minimum standard of 1.2:1 with no variance allowed.

3.1.4. Net Assets to Total Assets:

3.1.4.1. Rationale: This ratio is an indication of the Contractor's ability to cover its liabilities.

3.1.4.2. Definition: The ratio of the Contractor's net assets to total assets.

3.1.4.3. Formula: Net assets (total assets less total liabilities) divided by total assets.

3.1.4.4. Source of Data: The Contractor's Monthly Financial Statements.

3.1.4.5. Performance Standard: The Contractor shall maintain a minimum ratio of .30:1, with a 20% variance allowed.

3.2. In the event that the Contractor does not meet either:

3.2.1. The standard regarding Days of Cash on Hand and the standard regarding Current Ratio for two (2) consecutive months; or

3.2.2. Three (3) or more of any of the Maintenance of Fiscal Integrity standards for three (3) consecutive months, then

3.2.3. The Department may require that the Contractor meet with Department staff to explain the reasons that the Contractor has not met the standards.

3.2.4. The Department may require the Contractor to submit a comprehensive corrective action plan within thirty (30) calendar days of notification that 8.2.1 and/or 8.2.2 have not been met.

3.2.4.1. The Contractor shall update the corrective action plan at least every thirty (30) calendar days until compliance is achieved.

3.2.4.2. The Contractor shall provide additional information to assure continued access to services as requested by the Department. The Contractor shall provide requested information in a timeframe agreed upon by both parties.

3.3. The Contractor shall inform the Department by phone and by email within twenty-four (24) hours of when any key Contractor staff learn of any actual or likely litigation, investigation, complaint, claim, or transaction that may reasonably be considered to have a material financial impact on and/or materially impact or impair the ability of the Contractor to perform under this Agreement with the Department.

3.4. The monthly Balance Sheet, Profit & Loss Statement, Cash Flow Statement, and all other financial reports shall be based on the accrual method of accounting and include the Contractor's total revenues and expenditures whether or not generated by or resulting from funds provided pursuant to this Agreement. These reports are due within thirty (30) calendar days after the end of each month.

New Hampshire Department of Health and Human Services

Bidder/Program Name: Mary Hitchcock Memorial Hospital

Budget Request for: Medication Assisted Treatment - RFP-2019-BDAS-05-MEDIC

Budget Period: SFY 19 (Upon G&C approval - June 30, 2019)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 76,154	$ 22,313	$ 98,467	$ -	$ -	$ -	$ 76,154	$ 22,313	$ 98,467
2. Employee Benefits	$ 23,677	$ 6,937	$ 30,614	$ -	$ -	$ -	$ 23,677	$ 6,937	$ 30,614
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ 9,920	$ 2,907	$ 12,827	$ -	$ -	$ -	$ 9,920	$ 2,907	$ 12,827
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ 5,000	$ 1,465	$ 6,465	$ -	$ -	$ -	$ 5,000	$ 1,465	$ 6,465
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ 5,500	$ 1,612	$ 7,112	$ -	$ -	$ -	$ 5,500	$ 1,612	$ 7,112
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 120,251	$ 35,234	$ 155,485	$ -	$ -	$ -	$ 120,251	$ 35,233.54	$ 155,485
Indirect As A Percent of Direct		29.3%							

Contractor Initials _____

Date 11-2-18

New Hampshire Department of Health and Human Services

Contractor Name: Mary Hitchcock Memorial Hospital

Budget Request for: Medication Assisted Treatment - RFP-2019-BDAS-05-MEDIC

Budget Period: SFY20 (July 1, 2019 - June 30, 2020)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 92,000	$ 26,956	$ 118,956	$ -	$ -	$ -	$ 92,000	$ 26,956	$ 118,956
2. Employee Benefits	$ 28,604	$ 8,381	$ 36,985	$ -	$ -	$ -	$ 28,604	$ 8,381	$ 36,985
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 120,604	$ 35,337	$ 155,941	$ -	$ -	$ -	$ 120,604	$ 35,336.97	$ 155,941
Indirect As A Percent of Direct		29.3%							

Contractor Initials _____
Date 11-2-18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

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

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

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

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

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

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

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

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

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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

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

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current 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.

20. **Contract Definitions:**

20.1. 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.

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

20.3. 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 and/or goods to be provided 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.

20.4. 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.

20.5. 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 time to time.

20.6. SUPPLANTING OTHER FEDERAL FUNDS: Funds provided to the Contractor under this Contract will not supplant any existing federal funds available for these services.

Contractor Initials
Date 11-2-18

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, 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.

1.2. Section 10, 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.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions, Paragraph 10, Confidentiality of Records, is deleted and is replaced as follows:

The Contractor is a covered entity as defined under the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR 160, 162 and 164, and shall comply with all confidentiality requirements and safeguards set forth in state and federal law and rules. The Contractor is also a substance use disorder provider as defined under 42 CFR Part 2 and shall safeguard confidential information as required. The Contractor shall ensure compliance with all consent and notice requirements prohibiting the redisclosure of confidential information in accordance with 42 CFR Part 2.

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 disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA, 42 CFR Part 2, and applicable state and federal laws and rules. Further, 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, their attorney or guardian. Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in this Paragraph 10 of Exhibit C shall survive the termination of the Contract for any reason whatsoever.

2.2. Exhibit I, Health Insurance Portability Act, Business Associate Agreement, is deleted in its entirety.

3. Renewal

3.1. The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

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

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

Contractor Initials
Date 11-2-18

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

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

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

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

Contractor Name:

11-2-18
Date

Name: Edward J Merrens
Title: Chief Clinical Officer

Contractor Initial

Date 11-2-18

CERTIFICATION REGARDING LOBBYING

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

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

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

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

Contractor Name:

11-2-18
Date

Name: Edward J. Merrens
Title: Chief Clinical Officer

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

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

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

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

Contractor Name:

11-2-18
Date

Name: Edward J. Merrens
Title: Chief Clinical Officer

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.

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:

11-2-18
Date

Name: Edward J. Merrens
Title: Chief Clinical Officer

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name:

11-2-18
Date

Name: Edward J. Merrens
Title: Chief Clinical Officer

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Pursuant to Exhibit C-1 of this Agreement, Exhibit I is not applicable.

Remainder of page intentionally left blank.

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

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

11-2-18
Date

Name: Edward J. Merrens
Title: Chief Clinical Officer

FORM A

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

1. The DUNS number for your entity is: 069910297

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

   ✓ NO _____ YES

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

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

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

   _____ NO _____ YES

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

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

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

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "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.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If Contractor is employing remote communication to access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

currently-supported and hardened operating systems, current, updated, and maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction.

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from

creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R. Parts 160

Contractor Initials

and 164) and 42 C.F.R. Part 2 that govern protections for individually identifiable health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in Section VI, of any security breach within 24-hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within 24- hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and

procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

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 MARY HITCHCOCK MEMORIAL HOSPITAL is a New Hampshire nonprofit corporation formed August 7, 1889. 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 8th day of April, A.D. 2015

William M. Gardner
Secretary of State

Dartmouth-Hitchcock
Dartmouth-Hitchcock Medical Center
1 Medical Center Drive
Lebanon, NH 03756
Dartmouth-Hitchcock.org

CERTIFICATE OF VOTE/AUTHORITY

I, Anne-Lee Verville, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital, do hereby certify that:

1. I am the duly elected Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital;
2. The following is a true and accurate excerpt from the December 7th, 2012 Bylaws of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital:

   ARTICLE I – Section A. Fiduciary Duty. Stewardship over Corporate Assets

   "In exercising this [fiduciary] duty, the Board may, consistent with the Corporation's Articles of Agreement and these Bylaws, delegate authority to the Board of Governors, Board Committees and various officers the right to give input with respect to issues and strategies, incur indebtedness, make expenditures, enter into contracts and agreements and take such other binding actions on behalf of the Corporation as may be necessary or desirable."
3. Article I – Section A, as referenced above, provides authority for the chief officers, including the Chief Executive Officer, the Chief Clinical Officer, and other officers, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital to sign and deliver, either individually or collectively, on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.
4. Edward J. Merrens, MD is the Chief Clinical Officer of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital and therefore has the authority to enter into contracts and agreements on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.

IN WITNESS WHEREOF, I have hereunto set my hand as the Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital this 2nd day of November.

Anne-Lee Verville, Board Chair

STATE OF NH

COUNTY OF GRAFTON

The foregoing instrument was acknowledged before me this 2nd day of November, 2019, by Anne-Lee Verville.

LAURA K. RONDEAU
NOTARY PUBLIC
STATE OF NEW HAMPSHIRE
- MY COMMISSION EXPIRES APRIL 19, 2022 -

Notary Public
My Commission Expires: April 19, 2022

CERTIFICATE OF INSURANCE

DATE: 10/11/2018

COMPANY AFFORDING COVERAGE
Hamden Assurance Risk Retention Group, Inc.
P.O. Box 1687
30 Main Street, Suite 330
Burlington, VT 05401

INSURED
Mary Hitchcock Memorial Hospital – DH-H
One Medical Center Drive
Lebanon, NH 03756
(603)653-6850

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies below.

COVERAGES

This is to certify that the Policy listed below have been issued to the Named Insured 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. This policy issued by a risk retention group may not be subject to all insurance laws and regulations in all states. State insurance insolvency funds are not available to a risk retention group policy.

TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
GENERAL LIABILITY		0002018-A	07/01/2018	06/30/2019	EACH OCCURRENCE	$1,000,000
					PRODUCTS-COMP/OP AGGREGATE	
X	CLAIMS MADE				PERSONAL ADV INJURY	
					GENERAL AGGREGATE	$3,000,000
	OCCURRENCE				FIRE DAMAGE	
OTHER					MEDICAL EXPENSES	
PROFESSIONAL LIABILITY					EACH CLAIM	
	CLAIMS MADE				ANNUAL AGGREGATE	
	OCCURENCE					
OTHER						

DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTIONS)

Certificate of Insurance issued as evidence of insurance.

CERTIFICATE HOLDER

NH Dept. of Health & Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION
Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 DAYS written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

AUTHORIZED REPRESENTATIVES

DARTHIT-01 DMCDONALD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/09/2018

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 have ADDITIONAL INSURED provisions or 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 License # 1780862 HUB International New England 100 Central Street, Suite 201 Holliston, MA 01746	CONTACT NAME: Dan McDonald PHONE (A/C, No, Ext): (508) 808-7293 FAX (A/C, No): (866) 235-7129 E-MAIL ADDRESS: dan.mcdonald@hubinternational.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A : Safety National Casualty Corporation — 15105
INSURED Dartmouth-Hitchcock Health 1 Medical Center Dr. Lebanon, NH 03756	INSURER B : INSURER C : 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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						X PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N ☐ N/A			AGC4059104	07/01/2018	07/01/2019	E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required).
Evidence of Workers Compensation coverage for Dartmouth-Hitchcock Health

CERTIFICATE HOLDER

NH DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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

Dartmouth-Hitchcock

Mission, Vision, & Values

Our Mission

We advance health through research, education, clinical practice, and community partnerships, providing each person the best care, in the right place, at the right time, every time.

Our Vision

Achieve the healthiest population possible, leading the transformation of health care in our region and setting the standard for our nation.

Values

- Respect
- Integrity
- Commitment
- Transparency
- Trust
- Teamwork
- Stewardship
- Community

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Financial Statements
June 30, 2017 and 2016

Dartmouth-Hitchcock Health and Subsidiaries
Index
June 30, 2017 and 2016

Report of Independent Auditors

To the Board of Trustees of
Dartmouth-Hitchcock Health and Subsidiaries

We have audited the accompanying consolidated financial statements of Dartmouth-Hitchcock Health and Subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 2017 and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Alice Peck Day Hospital, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets of 2.8% of consolidated total assets at June 30, 2017, and total revenues of 3.3% of consolidated total revenues for the year then ended. We did not audit the consolidated financial statements of The Cheshire Medical Center, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets of 8.8% of consolidated total assets at June 30, 2016, and total revenues of 9.2% of consolidated total revenues for the year then ended. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Alice Peck Day Hospital as of and for the year ended June 30, 2017 and The Cheshire Medical Center as of and for the year ended June 30, 2016, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Health System as of June 30, 2017 and 2016, and the results of its operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, changes in net assets and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, changes in net assets and cash flows of the individual companies.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 17, 2017

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Balance Sheets
June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Assets		
Current assets		
Cash and cash equivalents	$ 68,498	$ 40,592
Patient accounts receivable, net of estimated uncollectibles of $121,340 and $118,403 at June 30, 2017 and 2016 (Note 4)	237,260	260,988
Prepaid expenses and other current assets	89,203	95,820
Total current assets	394,961	397,400
Assets limited as to use (Notes 5 and 7)	662,323	592,468
Other investments for restricted activities (Notes 5 and 7)	124,529	142,036
Property, plant, and equipment, net (Note 6)	609,975	612,564
Other assets	97,120	87,266
Total assets	$ 1,888,908	$ 1,831,734
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt (Note 10)	$ 18,357	$ 18,307
Line of credit (Note 13)	-	36,550
Current portion of liability for pension and other postretirement plan benefits (Note 11)	3,220	3,176
Accounts payable and accrued expenses (Note 13)	89,160	107,544
Accrued compensation and related benefits	114,911	103,554
Estimated third-party settlements (Note 4)	27,433	19,650
Total current liabilities	253,081	288,781
Long-term debt, excluding current portion (Note 10)	616,403	625,341
Insurance deposits and related liabilities (Note 12)	50,960	56,887
Interest rate swaps (Notes 7 and 10)	20,916	28,917
Liability for pension and other postretirement plan benefits, excluding current portion (Note 11)	282,971	272,493
Other liabilities	90,548	69,811
Total liabilities	1,314,879	1,342,230
Commitments and contingencies (Notes 4, 6, 7, 10, and 13)		
Net assets		
Unrestricted (Note 9)	424,947	360,183
Temporarily restricted (Notes 8 and 9)	94,917	75,731
Permanently restricted (Notes 8 and 9)	54,165	53,590
Total net assets	574,029	489,504
Total liabilities and net assets	$ 1,888,908	$ 1,831,734

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Unrestricted revenue and other support		
Net patient service revenue, net of contractual allowances and discounts	$ 1,859,192	$ 1,689,275
Provision for bad debts	63,645	55,121
Net patient service revenue less provision for bad debts	1,795,547	1,634,154
Contracted revenue (Note 2)	43,671	65,982
Other operating revenue (Note 2 and 5)	119,177	82,352
Net assets released from restrictions	11,122	9,219
Total unrestricted revenue and other support	1,969,517	1,791,707
Operating expenses		
Salaries	966,352	872,465
Employee benefits	244,855	234,407
Medical supplies and medications	306,080	309,814
Purchased services and other	289,805	255,141
Medicaid enhancement tax (Note 4)	65,069	58,565
Depreciation and amortization	84,562	80,994
Interest (Note 10)	19,838	19,301
Total operating expenses	1,976,561	1,830,687
Operating loss	(7,044)	(38,980)
Nonoperating gains (losses)		
Investment gains (losses) (Notes 5 and 10)	51,056	(20,103)
Other losses	(4,153)	(3,845)
Contribution revenue from acquisition (Note 3)	20,215	18,083
Total nonoperating gains (losses), net	67,118	(5,865)
Excess (deficiency) of revenue over expenses	$ 60,074	$ (44,845)

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Unrestricted net assets		
Excess (deficiency) of revenue over expenses	$ 60,074	$ (44,845)
Net assets released from restrictions	1,839	3,248
Change in funded status of pension and other postretirement benefits (Note 11)	(1,587)	(66,541)
Other changes in net assets	(3,364)	-
Change in fair value of interest rate swaps (Note 10)	7,802	(5,873)
Increase (decrease) in unrestricted net assets	64,764	(114,011)
Temporarily restricted net assets		
Gifts, bequests, sponsored activities	26,592	12,227
Investment gains	1,677	518
Change in net unrealized gains on investments	3,775	(1,674)
Net assets released from restrictions	(12,961)	(12,467)
Contribution of temporarily restricted net assets from acquisition	103	670
Increase (decrease) in temporarily restricted net assets	19,186	(726)
Permanently restricted net assets		
Gifts and bequests	300	699
Investment gains (losses) in beneficial interest in trust	245	(219)
Contribution of permanently restricted net assets from acquisition	30	29
Increase in permanently restricted net assets	575	509
Change in net assets	84,525	(114,228)
Net assets		
Beginning of year	489,504	603,732
End of year	$ 574,029	$ 489,504

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Cash flows from operating activities		
Change in net assets	$ 84,525	$ (114,228)
Adjustments to reconcile change in net assets to net cash (used) provided by operating and nonoperating activities		
Change in fair value of interest rate swaps	(8,001)	4,177
Provision for bad debt	63,645	55,121
Depreciation and amortization	84,711	81,138
Contribution revenue from acquisition	(20,348)	(18,782)
Change in funded status of pension and other postretirement benefits	1,587	66,541
Loss on disposal of fixed assets	1,703	2,895
Net realized (gain) losses and change in net unrealized (gain) losses on investments	(57,255)	27,573
Restricted contributions and investment earnings	(4,374)	(4,301)
Proceeds from sales of securities	809	496
Loss from debt defeasance	381	-
Changes in assets and liabilities		
Patient accounts receivable, net	(35,811)	(101,567)
Prepaid expenses and other current assets	7,386	4,767
Other assets, net	(8,934)	2,188
Accounts payable and accrued expenses	(17,820)	(23,668)
Accrued compensation and related benefits	10,349	5,343
Estimated third-party settlements	7,783	(3,652)
Insurance deposits and related liabilities	(5,927)	(14,589)
Liability for pension and other postretirement benefits	8,935	15,599
Other liabilities	11,431	2,109
Net cash provided (used) by operating and nonoperating activities	124,775	(12,840)
Cash flows from investing activities		
Purchase of property, plant, and equipment	(77,361)	(73,021)
Proceeds from sale of property, plant, and equipment	1,087	612
Purchases of investments	(259,201)	(67,117)
Proceeds from maturities and sales of investments	276,934	66,105
Cash received through acquisition	3,564	12,619
Net cash used by investing activities	(54,977)	(60,802)
Cash flows from financing activities		
Proceeds from line of credit	65,000	140,600
Payments on line of credit	(101,550)	(105,250)
Repayment of long-term debt	(48,506)	(104,343)
Proceeds from issuance of debt	39,064	140,031
Payment of debt issuance costs	(274)	(14)
Restricted contributions and investment earnings	4,374	4,301
Net cash (used) provided by financing activities	(41,892)	75,325
Increase in cash and cash equivalents	27,906	1,683
Cash and cash equivalents		
Beginning of year	40,592	38,909
End of year	$ 68,498	$ 40,592
Supplemental cash flow information		
Interest paid	$ 23,407	$ 22,298
Asset depreciation due to affiliations	-	(960)
Net assets acquired as part of acquisition, net of cash aquired	16,784	6,163
Building construction in process financed by a third party	8,426	-
Construction in progress included in accounts payable and accrued expenses	14,669	16,427
Equipment acquired through issuance of capital lease obligations	-	2,001
Donated securities	809	688

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

1. Organization and Community Benefit Commitments

Dartmouth-Hitchcock Health (D-HH) serves as the sole corporate member of Mary Hitchcock Memorial Hospital (MHMH) and Dartmouth-Hitchcock Clinic (DHC) (collectively referred to as "Dartmouth-Hitchcock" (D-H)), New London Hospital Association (NLH), Mt. Ascutney Hospital and Health Center (MAHHC), The Cheshire Medical Center (Cheshire), Alice Peck Day Memorial Hospital (APD) and Visiting Nurse & Hospice for VT and NH (VNH).

The "Health System" consists of D-HH, its affiliates and their subsidiaries.

The Health System currently operates one tertiary, one community and three acute care (critical access) hospitals in New Hampshire (NH) and Vermont (VT). One facility provides inpatient and outpatient rehabilitation medicine and long-term care. The Health System also operates multiple physician practices, a nursing home and a home health and hospice service. The Health System operates a graduate level program for health professions and is the principal teaching affiliate of the Geisel School of Medicine (Geisel), a component of Dartmouth College.

D-HH, MHMH, DHC, NLH, Cheshire, and APD are NH not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). MAHHC and VNH are VT not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the IRC.

Fiscal year 2017 includes a full year of operations of D-HH, D-H, NLH, MAHHC, Cheshire, APD and VNH. Fiscal year 2016 includes a full year of operations of D-HH, D-H, NLH, MAHHC and Cheshire, four months of operations of APD and no activity for VNH.

Community Benefits
The mission of the Health System is to advance health through clinical practice and community partnerships, research and education, providing each person the best care, in the right place, at the right time, every time.

Consistent with this mission, the Health System provides high quality, cost effective, comprehensive, and integrated healthcare to individuals, families, and the communities it serves regardless of a patient's ability to pay. The Health System actively supports community-based healthcare and promotes the coordination of services among healthcare providers and social services organizations. In addition, the Health System also seeks to work collaboratively with other area healthcare providers to improve the health status of the region. As a component of an integrated academic medical center, the Health System provides significant support for academic and research programs.

The Health System files annual Community Benefits Reports with the State of NH which outlines the community and charitable benefits it provides. VT hospitals are not required by law to file a state community benefit report. The categories used in the Community Benefit Reports to summarize these benefits are as follows:

- *Community health services* include activities carried out to improve community health and could include community health education (such as lectures, programs, support groups, and materials that promote wellness and prevent illness), community-based clinical services (such as free clinics and health screenings), and healthcare support services (enrollment assistance in public programs, assistance in obtaining free or reduced costs medications, telephone information services, or transportation programs to enhance access to care, etc.).

- *Subsidized health services* are services provided by the Health System, resulting in financial losses that meet the needs of the community and would not otherwise be available to participate unless the responsibility was assumed by the government.

- *Research support and other grants* represent costs in excess of awards for numerous health research and service initiatives awarded to the organizations within the Health System.

- *Community health-related initiatives* occur outside of the organization(s) through various financial contributions of cash, in-kind, and grants to local organizations.

- *Community-building activities* include cash, in-kind donations, and budgeted expenditures for the development of programs and partnerships intended to address social and economic determinants of health. Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement. Community benefit operations includes costs associated with staff dedicated to administering benefit programs, community health needs assessment costs, and other costs associated with community benefit planning and operations.

- *Charity care (financial assistance)* represents services provided to patients who cannot afford healthcare services due to inadequate financial resources which result from being uninsured or underinsured. For the years ended June 30, 2017 and 2016, the Health System provided financial assistance to patients in the amount of approximately $29,934,000 and $30,637,000, respectively, as measured by gross charges. The estimated cost of providing this care for the years ended June 30, 2017 and 2016 was approximately $12,173,000 and $12,257,000, respectively. The estimated costs of providing charity care services are determined applying a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of costs to charges is calculated using total expenses, less bad debt, divided by gross revenue.

- *Government-sponsored healthcare services* are provided to Medicaid and Medicare patients at reimbursement levels that are significantly below the cost of the care provided.

- *The uncompensated cost of care for Medicaid* patients reported in the unaudited Community Benefits Reports for 2016 was approximately $124,371,000. The 2017 Community Benefits Reports are expected to be filed in February 2018.

The following table summarizes the value of the community benefit initiatives outlined in the Health System's most recently filed Community Benefit Reports for the year ended June 30, 2016:

(Unaudited, in thousands of dollars)

Government-sponsored healthcare services	$	281,014
Health professional education		32,561
Subsidized health services		25,846
Charity care		10,769
Community health services		5,701
Research		3,417
Financial contributions		1,792
Community building activities		1,789
Community benefit operations		1,107
Total community benefit value	$	363,996

The Health System also provides a significant amount of uncompensated care to its patients that are reported as provision for bad debts, which is not included in the amounts reported above. During the years ended June 30, 2017 and 2016, the Health System reported a provision for bad debt expense of approximately $63,645,000 and $55,121,000, respectively.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and have been prepared consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954 *Healthcare Entities* (ASC 954), which addresses the accounting for healthcare entities. In accordance with the provisions of ASC 954, net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed stipulations and are available for operations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. All significant intercompany transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant areas that are affected by the use of estimates include the allowance for estimated uncollectible accounts and contractual allowances, valuation of certain investments, estimated third-party settlements, insurance reserves, and pension obligations. Actual results may differ from those estimates.

Excess (Deficiency) of Revenue over Expenses
The consolidated statements of operations and changes in net assets include the excess (deficiency) of revenue over expenses. Operating revenues consist of those items attributable to the care of patients, including contributions and investment income on unrestricted investments, which are utilized to provide charity and other operational support. Peripheral activities, including unrestricted contribution income from acquisitions, realized gains/losses on sales of investment securities and changes in unrealized gains/losses in investments are reported as nonoperating gains (losses).

Changes in unrestricted net assets which are excluded from the excess (deficiency) of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), change in funded status of pension and other postretirement benefit plans, and the effective portion of the change in fair value of interest rate swaps.

Charity Care and Provision for Bad Debts
The Health System provides care to patients who meet certain criteria under their financial assistance policies without charge or at amounts less than their established rates. Because the Health System does not anticipate collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Health System grants credit without collateral to patients. Most are local residents and are insured under third-party arrangements. Additions to the allowance for uncollectible accounts are made by means of the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators (Notes 1 and 4).

Net Patient Service Revenue
Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and bad debt expense. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates change or final settlements are determined (Note 4).

Contracted Revenue
The Health System has various Professional Service Agreements (PSAs), pursuant to which certain organizations purchase services of personnel employed by the Health System and also lease space and equipment. Revenue pursuant to these PSAs and certain facility and equipment leases and other professional service contracts have been classified as contracted revenue in the accompanying consolidated statements of operations and changes in net assets.

Other Revenue
The Health System recognizes other revenue which is not related to patient medical care but is central to the day-to-day operations of the Health System. This revenue includes retail pharmacy, joint operating agreements, grant revenue, cafeteria sales, meaningful use incentive payments and other support service revenue.

Cash Equivalents
Cash equivalents include investments in highly liquid investments with maturities of three months or less when purchased, excluding amounts where use is limited by internal designation or other arrangements under trust agreements or by donors.

Investments and Investment Income
Investments in equity securities with readily determinable fair values, mutual funds and pooled/comingled funds, and all investments in debt securities are considered to be trading securities reported at fair value with changes in fair value included in the excess (deficiency) of revenues over expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Note 7).

Investments in pooled/commingled investment funds, private equity funds and hedge funds that represent investments where the Health System owns shares or units of funds rather than the underlying securities in that fund are valued using the equity method of accounting with changes in value recorded in the excess (deficiency) of revenues over expenses. All investments, whether held at fair value or under the equity method of accounting, are reported at what the Health System believes to be the amount they would expect to receive if it liquidated its investments at the balance sheet dates on a nondistressed basis.

Certain affiliates of the Health System are partners in a NH general partnership established for the purpose of operating a master investment program of pooled investment accounts. Substantially all of the Health System's board-designated and restricted assets were invested in these pooled funds by purchasing units based on the market value of the pooled funds at the end of the month prior to receipt of any new additions to the funds. Interest, dividends, and realized and unrealized gains and losses earned on pooled funds are allocated monthly based on the weighted average units outstanding at the prior month-end.

Investment income or losses (including change in unrealized and realized gains and losses on unrestricted investments, change in value of equity method investments, interest, and dividends) are included in the excess (deficiency) of revenue over expenses and classified as nonoperating gains and losses, unless the income or loss is restricted by donor or law (Note 9).

Fair Value Measurement of Financial Instruments
The Health System estimates fair value based on a valuation framework that uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy, as defined by ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities.
Level 2	Prices other than quoted prices in active markets that are either directly or indirectly observable as of the date of measurement.
Level 3	Prices or valuation techniques that are both significant to the fair value measurement and unobservable.

The Health System applies the accounting provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)* (ASU 2009-12). ASU 2009-12 allows for the estimation of fair value of investments for which the investment does not have a readily determinable fair value, to use net asset value (NAV) per share or its equivalent as a practical expedient, subject to the Health System's ability to redeem its investment.

The carrying amount of patient accounts receivable, prepaid and other current assets, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments.

Property, Plant, and Equipment

Property, plant, and equipment, and other real estate are stated at cost at the time of purchase or fair value at the time of donation, less accumulated depreciation. The Health System's policy is to capitalize expenditures for major improvements and to charge expense for maintenance and repair expenditures which do not extend the lives of the related assets. The provision for depreciation has been determined using the straight-line method at rates which are intended to amortize the cost of assets over their estimated useful lives which range from 10 to 40 years for buildings and improvements, 2 to 20 years for equipment, and the shorter of the lease term, or 5 to 12 years, for leasehold improvements. Certain software development costs are amortized using the straight-line method over a period of up to 10 years. Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

The fair value of a liability for legal obligations associated with asset retirements is recognized in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When a liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost associated with the retirement is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the actual cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets.

Gifts of capital assets such as land, buildings, or equipment are reported as unrestricted support, and excluded from the excess (deficiency) of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of capital 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 capital assets are reported as restricted support. Absent explicit donor stipulations about how long those capital assets must be maintained, expirations of donor restrictions are reported when the donated or acquired capital assets are placed in service.

Bond Issuance Costs

Bond issuance costs, classified on the consolidated balance sheets within long-term debt, are amortized over the term of the related bonds. Amortization is recorded within depreciation and amortization in the consolidated statements of operations and changes in net assets using the straight-line method which approximates the effective interest method.

Trade Names
The Health System records trade names as intangible assets within other assets on the consolidated statements of financial position. The Health System considers trade names to be indefinite-lived assets, assesses them at least annually for impairment or more frequently if certain events or circumstances warrant and recognizes impairment charges for amounts by which the carrying values exceed their fair values. The Health System has recorded $2,700,000 as intangible assets associated with its affiliations as of June 30, 2017 and 2016. There were no impairment charges recorded for the years ended June 30, 2017 and 2016.

Derivative Instruments and Hedging Activities
The Health System applies the provisions of ASC 815, *Derivatives and Hedging*, to its derivative instruments, which require that all derivative instruments be recorded at their respective fair values in the consolidated balance sheets.

On the date a derivative contract is entered into, the Health System designates the derivative as a cash-flow hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability. For all hedge relationships, the Health System formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking cash-flow hedges to specific assets and liabilities on the consolidated balance sheets, specific firm commitments or forecasted transactions. The Health System also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in variability of cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in unrestricted net assets until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a cash-flow hedge is reported in excess (deficiency) of revenue over expenses in the consolidated statements of operations and changes in net assets.

The Health System discontinues hedge accounting prospectively when it is determined: (a) the derivative is no longer effective in offsetting changes in the cash flows of the hedged item; (b) the derivative expires or is sold, terminated, or exercised; (c) the derivative is undesignated as a hedging instrument because it is unlikely that a forecasted transaction will occur; (d) a hedged firm commitment no longer meets the definition of a firm commitment; and (e) management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued, the Health System continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in excess (deficiency) of revenue over expenses.

Gifts and Bequests
Unrestricted gifts and bequests are recorded net of related expenses as nonoperating gains. Conditional promises to give and indications of intentions to give to the Health System are reported at fair value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09 - *Revenue from Contracts with Customers* at the conclusion of a joint effort with the International Accounting Standards Board to create common revenue recognition guidance in accordance with accounting principles generally accepted in the United States of America and international accounting standards. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services, by allocating transaction price to identified performance obligations, and recognizing that revenue as performance obligations are satisfied. Qualitative and quantitative disclosures will be required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The original standard was effective for fiscal years beginning after December 15, 2016; however, in July 2015, the FASB approved a one-year deferral of this standard, with a new effective date for fiscal years beginning after December 15, 2017 or fiscal year 2019 for the Health System. The Health System is evaluating the impact this will have on the consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03 - *Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, which requires all costs incurred to issue debt to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability. The Health System implemented the new standard during the year ended June 30, 2017 and reclassified $3,933,000 as of June 30, 2016, to conform to the 2017 presentation.

In February 2016, the FASB issued ASU 2016-02 - *Leases*, which requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal years beginning after December 15, 2018, or fiscal year 2020 for the Health System. Early adoption is permitted once ASU 2014-09 has been adopted. The Health System is evaluating the impact of the new guidance on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01- *Recognition and Measurement of Financial Assets and Financial Liabilities*, which address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This guidance allows an entity to choose, investment-by-investment, to report an equity investment that neither has a readily determinable fair value, nor qualifies for the practical expedient for fair value estimation using NAV, at its cost minus impairment (if any), plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issue. Impairment of such investments must be assessed qualitatively at each reporting period. Entities must disclose their financial assets and liabilities by measurement category and form of asset either on the face of the balance sheet or in the accompanying notes. The ASU is effective for annual reporting periods beginning after December 15, 2018 or fiscal year 2020 for the Health System. The provision to eliminate the requirement to disclose the fair value of financial instruments measured at cost (such as the fair value of debt) may be early adopted. The Health System implemented this aspect of the new standard during the year ended June 30, 2017.

In August 2016, the FASB issued ASU 2016-14 - *Presentation of Financial Statements for Not-for-Profit Entities*, which makes targeted changes to the not-for-profit financial reporting model. Under the new ASU, net asset reporting will be streamlined and clarified. The existing three-category classification of net assets will be replaced with a simplified model that combines temporarily

restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment have also been simplified and clarified. New disclosures will highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements. Not-for-profits will continue to have flexibility to decide whether to report an operating subtotal and if so, to self-define what is included or excluded. However, transparent disclosure must be provided if the operating subtotal includes internal transfers made by the governing board. The ASU also imposes several new requirements related to reporting expenses, including providing information about expenses by their natural classification. The ASU is effective for fiscal years beginning after December 15, 2017 or fiscal year 2019 for the Health System and early adoption is permitted. The Health System is evaluating the impact of the new guidance on the consolidated financial statements.

Reclassifications
Certain amounts in the 2016 consolidated financial statements have been reclassified to conform to the 2017 presentation.

3. Acquisitions

Effective July 1, 2016, D-HH became the sole corporate member of VNH through an affiliation agreement. VNH is a not-for-profit corporation organized in VT providing home health, hospice and community based services to residents of NH and VT.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, The Health System recorded contribution income of approximately $20,348,000, reflecting the fair value of the contributed net assets of VNH, on the transaction date. Of this amount $20,215,000 represents unrestricted net assets and is included as a nonoperating gain in the accompanying consolidated statement of operations. Restricted contribution income of $103,000 and $30,000 was recorded within temporarily and permanently restricted net assets, respectively in the accompanying consolidated statement of changes in net assets. No consideration was exchanged for the net assets contributed and acquisition costs were expensed as incurred.

The fair value of assets, liabilities, and net assets contributed by VNH at July 1, 2016 were as follows:

(in thousands of dollars)

Assets		
Cash and cash equivalents	$	3,564
Patient accounts receivable, net		4,107
Property, plant, and equipment, net		436
Other assets		15,323
Total assets acquired	$	23,430
Liabilities		
Accounts payable and accrued expenses	$	1,194
Accrued compensation and related benefits		1,008
Other liabilities		880
Total liabilities assumed		3,082
Net Assets		
Unrestricted		20,215
Temporarily restricted		103
Permanently restricted		30
Total net assets		20,348
Total liabilities and net assets	$	23,430

A summary of the financial results of VNH included in the consolidated statement of operations and changes in net assets for the period from the date of acquisition (July 1, 2016) through June 30, 2017 is as follows:

(in thousands of dollars)

Total operating revenues	$	22,964
Total operating expenses		22,707
Operating gain		257
Nonoperating gains		2,604
Excess of revenue over expenses		2,861
Net assets transferred to affiliate		20,348
Changes in temporarily and permanently restricted net assets		(103)
Increase in net assets	$	23,106

A summary of the consolidated financial results of the Health System for the year ended June 30, 2016 as if the transaction had occurred on July 1, 2015 are as follows (unaudited):

(in thousands of dollars)

Total operating revenues	$ 1,813,935
Total operating expenses	1,852,896
Operating loss	(38,961)
Nonoperating gains	(5,953)
(Deficiency) of revenue over expenses	(44,914)
Net assets released from restriction used for capital purchases	3,248
Change in funded status of pension and other post retirement benefits	(66,541)
Other changes in net assets	-
Change in fair value on interest rate swaps	(5,873)
(Decrease) increase in unrestricted net assets	$ (114,080)

4. Patient Service Revenue and Accounts Receivable

Patient service revenue is reported net of contractual allowances and the provision for bad debts as follows for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Gross patient service revenue	$ 4,865,332	$ 4,426,305
Less: Contractual allowances	3,006,140	2,737,030
Provision for bad debt	63,645	55,121
Net patient service revenue	$ 1,795,547	$ 1,634,154

Accounts receivable are reduced by an allowance for estimated uncollectibles. In evaluating the collectability of accounts receivable, the Health System analyzes past collection history and identifies trends for several categories of self-pay accounts (uninsured, residual balances, pre-collection accounts and charity) to estimate the appropriate allowance percentages in establishing the allowance for bad debt expense. Management performs collection rate look-back analyses on a quarterly basis to evaluate the sufficiency of the allowance for estimated uncollectibles. Throughout the year, after all reasonable collection efforts have been exhausted, the difference between the standard rates and the amounts actually collected, including contractual adjustments and uninsured discounts, will be written off against the allowance for estimated uncollectibles. In addition to the review of the categories of revenue, management monitors the write offs against established allowances as of a point in time to determine the appropriateness of the underlying assumptions used in estimating the allowance for estimated uncollectibles.

Accounts receivable, prior to adjustment for estimated uncollectibles, are summarized as follows at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Receivables		
Patients	$ 90,786	$ 126,320
Third-party payors	263,240	244,716
Nonpatient	4,574	8,355
	$ 358,600	$ 379,391

The allowance for estimated uncollectibles is $121,340,000 and $118,403,000 as of June 30, 2017 and 2016.

The following table categorizes payors into five groups and their respective percentages of gross patient service revenue for the years ended June 30, 2017 and 2016:

	2017	2016
Medicare	43 %	42 %
Anthem/blue cross	18	19
Commercial insurance	20	22
Medicaid	13	14
Self-pay/other	6	3
	100 %	100 %

The Health System has agreements with third-party payors that provide for payments at amounts different from their established rates. A summary of the acute care payment arrangements in effect during the years ended June 30, 2017 and 2016 with major third-party payors follows:

Medicare
The Health System's inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge. These rates vary according to a patient classification system that is based on diagnostic, clinical and other factors. In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system. Under the system, outpatient services are reimbursed based on a pre-determined amount for each outpatient procedure, subject to various mandated modifications. The Health System is reimbursed during the year for services to Medicare beneficiaries based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subsequent audit of this report by the Medicare fiscal intermediary.

Certain of the Health System's affiliates qualify as Critical Access Hospitals (CAH), which are reimbursed by Medicare at 101% (subject to sequestration of 2%) of reasonable costs for its inpatient acute, swing bed, and outpatient services, excluding ambulance services and inpatient hospice care. They are reimbursed at an interim rate for cost based services with a final settlement determined by the Medicare Cost Report filing. Medicare reimburses nursing home and rehabilitation services based on an acuity driven prospective payment system with no retrospective settlement.

Medicaid
The Health System's payments for inpatient services rendered to NH Medicaid beneficiaries are based on a prospective payment system, while outpatient services are reimbursed on a retrospective cost basis or fee schedules. NH Medicaid Outpatient Direct Medical Education costs are reimbursed, as a pass-through, based on the filing of the Medicare cost report. Payment for inpatient and outpatient services rendered to VT Medicaid beneficiaries are based on prospective payment systems and the skilled nursing facility is reimbursed on a prospectively determined per diem rate.

During the years ended June 30, 2017 and 2016, the Health System recorded State of NH Medicaid Enhancement Tax (MET) and State of VT Provider Tax of $65,069,000 and $58,565,000, respectively. The taxes are calculated at 5.4% for NH and 6% for VT of certain net patient revenues in accordance with instructions received from the States. The provider taxes are included in operating expenses in the consolidated statements of operations and changes in net assets.

During fiscal year 2016, Vermont state legislation passed changes to the tax base for home health providers from 19.30% of core home health care services (primarily Medicaid services) with a cap of 6% of net patient service revenue to 3.63% of net patient revenue for fiscal year 2017 and fiscal year 2018. Home health provider tax paid, which is included in other operating expenses, was $645,000 and $528,000 in 2017 and 2016, respectively.

On June 30, 2014, the NH Governor signed into law a bi-partisan legislation reflecting an agreement between the State of NH and 25 NH hospitals on the Medicaid Enhancement Tax "SB 369". As part of the agreement the parties have agreed to resolve all pending litigation related to MET and Medicaid Rates, including the Catholic Medical Center Litigation, the Northeast Rehabilitation Litigation, 2014 DRA Refund Requests, and the State Rate Litigation. As part of the Medicaid Enhancement Tax Agreement effective July 1, 2014, a "Trust / Lock Box" dedicated fund mechanism will be established for receipt and distribution of all MET proceeds with all monies used exclusively to support Medicaid services. During the years ended June 30, 2017 and 2016, the Health System received disproportionate share hospital (DSH) payments of approximately $59,473,000 and $56,718,000, respectively which is included in net patient service revenue in the consolidated statement of operations and changes in net assets.

The Health Information Technology for Economic and Clinical Health (HITECH) Act included in the American Recovery and Reinvestment Act (ARRA) provides incentives for the adoption and use of health information technology by Medicare and Medicaid providers. The Health System has recognized other revenue of $1,156,000 and $2,330,000 in meaningful use incentives for both the Medicare and VT Medicaid programs during the years ended June 30, 2017 and 2016, respectively.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties and exclusion from the Medicare and Medicaid programs.

Other
For services provided to patients with commercial insurance, the Health System receives payment for inpatient services at prospectively determined rates-per-discharge, prospectively determined per diem rates or a percentage of established charges. Outpatient services are reimbursed on a fee schedule or at a discount from established charges.

Nonacute and physician services are paid at various rates under different arrangements with governmental payors, commercial insurance carriers and health maintenance organizations. The basis for payments under these arrangements includes prospectively determined per visit rates, discounts from established charges, fee schedules, and reasonable cost subject to limitations.

The Health System has provided for its estimated final settlements with all payors based upon applicable contracts and reimbursement legislation and timing in effect for all open years (2011 - 2015). The differences between the amounts provided and the actual final settlement, if any, is recorded as an adjustment to net patient service revenue as amounts become known or as years are no longer subject to audits, reviews and investigations. During 2017 and 2016, changes in prior estimates related to the Health System's settlements with third-party payors resulted in increases (decreases) in net patient service revenue of $2,000,000 and $(859,000) respectively, in the consolidated statements of operations and changes in net assets.

5. Investments

The composition of investments at June 30, 2017 and 2016 is set forth in the following table:

(in thousands of dollars)	2017	2016
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	$ 9,923	$ 12,915
U.S. government securities	44,835	33,578
Domestic corporate debt securities	100,953	65,610
Global debt securities	105,920	119,385
Domestic equities	129,548	100,009
International equities	95,167	61,768
Emerging markets equities	33,893	34,282
Real Estate Investment Trust	791	432
Private equity funds	39,699	33,209
Hedge funds	30,448	52,337
	591,177	513,525
Investments held by captive insurance companies (Note 12)		
U.S. government securities	18,814	22,484
Domestic corporate debt securities	21,681	29,123
Global debt securities	5,707	5,655
Domestic equities	9,048	7,830
International equities	13,888	11,901
	69,138	76,993
Held by trustee under indenture agreement (Note 10)		
Cash and short-term investments	2,008	1,950
Total assets limited as to use	$ 662,323	$ 592,468

(in thousands of dollars)	2017	2016
Other investments for restricted activities		
Cash and short-term investments	$ 5,467	$ 12,219
U.S. government securities	28,096	21,351
Domestic corporate debt securities	27,762	33,203
Global debt securities	14,560	20,808
Domestic equities	18,451	19,215
International equities	15,499	13,986
Emerging markets equities	3,249	4,887
Real Estate Investment Trust	790	470
Private equity funds	3,949	4,780
Hedge funds	6,676	11,087
Other	30	30
Total other investments for restricted activities	$ 124,529	$ 142,036

Investments are accounted for using either the fair value method or equity method of accounting, as appropriate on a case by case basis. The fair value method is used when debt securities or equity securities are traded on active markets and are valued at prices that are readily available in those markets. The equity method is used when investments are made in pooled/commingled investment funds that represent investments where shares or units are owned of pooled funds rather than the underlying securities in that fund. These pooled/commingled funds make underlying investments in securities from the asset classes listed above. All investments, whether the fair value or equity method of accounting is used, are reported at what the Health System believes to be the amount that the Health System would expect to receive if it liquidated its investments at the balance sheets date on a nondistressed basis.

The following tables summarize the investments by the accounting method utilized, as of June 30, 2017 and 2016. Accounting standards require disclosure of additional information for those securities accounted for using the fair value method, as shown in Note 7.

(in thousands of dollars)	2017		
	Fair Value	Equity	Total
Cash and short-term investments	$ 17,398	$ -	$ 17,398
U.S. government securities	91,745	-	91,745
Domestic corporate debt securities	121,631	28,765	150,396
Global debt securities	45,660	80,527	126,187
Domestic equities	144,618	12,429	157,047
International equities	29,910	94,644	124,554
Emerging markets equities	1,226	35,916	37,142
Real Estate Investment Trust	128	1,453	1,581
Private equity funds	-	43,648	43,648
Hedge funds	-	37,124	37,124
Other	30	-	30
	$ 452,346	$ 334,506	$ 786,852

(in thousands of dollars)	2016 Fair Value	2016 Equity	2016 Total
Cash and short-term investments	$ 27,084	$ -	$ 27,084
U.S. government securities	77,413	-	77,413
Domestic corporate debt securities	101,271	26,665	127,936
Global debt securities	40,356	105,492	145,848
Domestic equities	115,082	11,972	127,054
International equities	23,271	64,384	87,655
Emerging markets equities	331	38,838	39,169
Real estate investment trust	20	882	902
Private equity funds	-	37,989	37,989
Hedge funds	-	63,424	63,424
Other	30	-	30
	$ 384,858	$ 349,646	$ 734,504

Investment income (losses) is comprised of the following for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Unrestricted		
Interest and dividend income, net	$ 4,418	$ 5,088
Net realized gains (losses) on sales of securities	16,868	(1,223)
Change in net unrealized gains on investments	30,809	(22,980)
	52,095	(19,115)
Temporarily restricted		
Interest and dividend income, net	1,394	536
Net realized gains (losses) on sales of securities	283	(18)
Change in net unrealized gains on investments	3,775	(1,674)
	5,452	(1,156)
Permanently restricted		
Change in net unrealized gains (losses) on beneficial interest in trust	245	(219)
	245	(219)
	$ 57,792	$ (20,490)

For the years ended June 30, 2017 and 2016 unrestricted investment income (losses) is reflected in the accompanying consolidated statements of operations and changes in net assets as operating revenue of approximately $1,039,000 and $988,000 and as nonoperating gains (losses) of approximately $51,056,000 and ($20,103,000), respectively.

Private equity limited partnership shares are not eligible for redemption from the fund or general partner, but can be sold to third party buyers in private transactions that typically can be completed in approximately 90 days. It is the intent of the Health System to hold these investments until the fund has fully distributed all proceeds to the limited partners and the term of the partnership agreement expires. Under the terms of these agreements, the Health System has committed to contribute a specified level of capital over a defined period of time. Through June 30, 2017 and 2016, the Health System has committed to contribute approximately $119,719,000 and

$116,851,000 to such funds, of which the Health System has contributed approximately $81,982,000 and $80,019,000 and has outstanding commitments of $37,737,000 and $36,832,000, respectively.

6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Land	$ 38,058	$ 33,004
Land improvements	37,579	36,899
Buildings and improvements	818,831	801,840
Equipment	766,667	744,443
Equipment under capital leases	20,495	20,823
	1,681,630	1,637,009
Less: Accumulated depreciation and amortization	1,101,058	1,046,617
Total depreciable assets, net	580,572	590,392
Construction in progress	29,403	22,172
	$ 609,975	$ 612,564

As of June 30, 2017 construction in progress primarily consists of the construction of the Hospice & Palliative Care Center and APD's medical office building, both in Lebanon, NH. The estimated cost to complete these projects at June 30, 2017 is $7,335,000 and $9,381,000, respectively.

The construction in progress for the Borwell building reported as of June 30, 2016 was completed during the first quarter of fiscal year 2017 and the building addition for New London at the Newport Health Center was completed in the second quarter of fiscal year 2017.

Depreciation and amortization expense included in operating and nonoperating activities was approximately $84,711,000 and $81,138,000 for 2017 and 2016, respectively.

7. Fair Value Measurements

The following is a description of the valuation methodologies for assets and liabilities measured at fair value on a recurring basis:

Cash and Short-Term Investments
Consists of money market funds and are valued at net asset value (NAV) reported by the financial institution.

Domestic, Emerging Markets and International Equities
Consists of actively traded equity securities and mutual funds which are valued at the closing price reported on an active market on which the individual securities are traded (Level 1 measurements).

U.S. Government Securities, Domestic Corporate and Global Debt Securities
Consists of U.S. government securities, domestic corporate and global debt securities, mutual funds and pooled/commingled funds that invest in U.S. government securities, domestic corporate and global debt securities. Securities are valued based on quoted market prices or dealer quotes where available (Level 1 measurement). If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or, if necessary, matrix pricing from a third party pricing vendor to determine fair value (Level 2 measurements). Matrix prices are based on quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security. Investments in mutual funds are measured based on the quoted NAV as of the close of business in the respective active market (Level 1 measurements).

Interest Rate Swaps
The fair value of interest rate swaps, are determined using the present value of the fixed and floating legs of the swaps. Each series of cash flows are discounted by observable market interest rate curves and credit risk.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth the consolidated financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2017 and 2016:

	2017					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 17,398	$ -	$ -	$ 17,398	Daily	1
U.S. government securities	91,745	-	-	91,745	Daily	1
Domestic corporate debt securities	66,238	55,393	-	121,631	Daily–Monthly	1–15
Global debt securities	28,142	17,518	-	45,660	Daily–Monthly	1–15
Domestic equities	144,618	-	-	144,618	Daily–Monthly	1–10
International equities	29,870	40	-	29,910	Daily–Monthly	1–11
Emerging market equities	1,226	-	-	1,226	Daily–Monthly	1–7
Real estate investment trust	128	-	-	128	Daily–Monthly	1–7
Other	-	30	-	30	Not applicable	Not applicable
Total investments	379,365	72,981	-	452,346		
Deferred compensation plan assets						
Cash and short-term investments	2,633	-	-	2,633		
U.S. government securities	37	-	-	37		
Domestic corporate debt securities	8,802	-	-	8,802		
Global debt securities	1,095	-	-	1,095		
Domestic equities	28,609	-	-	28,609		
International equities	9,595	-	-	9,595		
Emerging market equities	2,706	-	-	2,706		
Real estate	2,112	-	-	2,112		
Multi strategy fund	13,083	-	-	13,083		
Guaranteed contract	-	-	83	83		
Total deferred compensation plan assets	68,672	-	83	68,755	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,244	9,244	Not applicable	Not applicable
Total assets	$ 448,037	$ 72,981	$ 9,327	$ 530,345		
Liabilities						
Interest rate swaps	$ -	$ 20,916	$ -	$ 20,916	Not applicable	Not applicable
Total liabilities	$ -	$ 20,916	$ -	$ 20,916		

	2016					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 27,084	$ -	$ -	$ 27,084	Daily	1
U.S. government securities	77,413	-	-	77,413	Daily	1
Domestic corporate debt securities	27,626	73,645	-	101,271	Daily–Monthly	1–15
Global debt securities	23,103	17,253	-	40,356	Daily–Monthly	1–15
Domestic equities	115,082	-	-	115,082	Daily–Monthly	1–10
International equities	23,271	-	-	23,271	Daily–Monthly	1–11
Emerging market equities	331	-	-	331	Daily–Monthly	1–7
Real estate investment trust	20	-	-	20	Daily–Monthly	1–7
Other	-	30	-	30	Not applicable	Not applicable
Total investments	293,930	90,928	-	384,858		
Deferred compensation plan assets						
Cash and short-term investments	2,478	-	-	2,478		
U.S. government securities	30	-	-	30		
Domestic corporate debt securities	6,710	-	-	6,710		
Global debt securities	794	-	-	794		
Domestic equities	23,502	-	-	23,502		
International equities	8,619	-	-	8,619		
Emerging market equities	2,113	-	-	2,113		
Real estate	2,057	-	-	2,057		
Multi strategy fund	9,188	-	-	9,188		
Guaranteed contract	-	-	80	80		
Total deferred compensation plan assets	55,491	-	80	55,571	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,087	9,087	Not applicable	Not applicable
Total assets	$ 349,421	$ 90,928	$ 9,167	$ 449,516		
Liabilities						
Interest rate swaps	$ -	$ 28,917	$ -	$ 28,917	Not applicable	Not applicable
Total liabilities	$ -	$ 28,917	$ -	$ 28,917		

The following table is a rollforward of the statements of financial instruments classified by the Health System within Level 3 of the fair value hierarchy defined above.

	2017		
(in thousands of dollars)	Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,087	$ 80	$ 9,167
Purchases	-	-	-
Sales	-	-	-
Net unrealized gains (losses)	157	3	160
Net asset transfer from affiliate	-	-	-
Balances at end of year	$ 9,244	$ 83	$ 9,327

	2016		
(in thousands of dollars)	Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,345	$ 78	$ 9,423
Purchases	-	-	-
Sales	-	-	-
Net unrealized gains (losses)	(258)	2	(256)
Net asset transfer from affiliate	-	-	-
Balances at end of year	$ 9,087	$ 80	$ 9,167

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2017 and 2016.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Healthcare services	$ 32,583	$ 44,561
Research	25,385	16,680
Purchase of equipment	3,080	2,826
Charity care	13,814	1,543
Health education	17,489	8,518
Other	2,566	1,603
	$ 94,917	$ 75,731

Permanently restricted net assets consist of the following at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Healthcare services	$ 22,916	$ 32,105
Research	7,795	7,767
Purchase of equipment	6,274	5,266
Charity care	6,895	2,991
Health education	10,228	5,408
Other	57	53
	$ 54,165	$ 53,590

Income earned on permanently restricted net assets is available for these purposes.

9. Board Designated and Endowment Funds

Net assets include numerous funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the NH and VT Uniform Prudent Management of Institutional Funds Acts (UPMIFA or Act) for donor-restricted endowment funds as requiring the preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Health System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. Collectively these amounts are referred to as the historic dollar value of the fund.

Unrestricted net assets include funds designated by the Board of Trustees to function as endowments and the income from certain donor-restricted endowment funds, and any accumulated investment return thereon, which pursuant to donor intent may be expended based on trustee or management designation. Temporarily restricted net assets include funds appropriated for expenditure pursuant to endowment and investment spending policies, certain expendable endowment gifts from donors, and any retained income and appreciation on donor-restricted endowment funds, which are restricted by the donor to a specific purpose or by law. When the temporary restrictions on these funds have been met, the funds are reclassified to unrestricted net assets.

In accordance with the Act, the Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources available; and investment policies.

The Health System has endowment investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowment while ensuring that the purchasing power does not decline over time. The Health System targets a diversified asset allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, and hedge fund strategies to achieve its long-term return objectives within prudent risk constraints. The Health System's Investment Committee reviews the policy portfolio asset allocations, exposures, and risk profile on an ongoing basis.

The Health System, as a policy, may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to donor intent expressed in the gift instrument and the standard of prudence prescribed by the Act.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. Such market losses were not material as of June 30, 2017 and 2016.

Endowment net asset composition by type of fund consists of the following at June 30, 2017 and 2016:

	2017			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 29,701	$ 45,756	$ 75,457
Board-designated endowment funds	26,389	-	-	26,389
Total endowed net assets	$ 26,389	$ 29,701	$ 45,756	$ 101,846

	2016			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 25,780	$ 45,402	$ 71,182
Board-designated endowment funds	26,205	-	-	26,205
Total endowed net assets	$ 26,205	$ 25,780	$ 45,402	$ 97,387

Changes in endowment net assets for the year ended June 30, 2017:

	2017			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at beginning of year	$ 26,205	$ 25,780	$ 45,402	$ 97,387
Net investment return	283	5,285	2	5,570
Contributions	-	210	300	510
Transfers	-	(26)	22	(4)
Release of appropriated funds	(99)	(1,548)	-	(1,647)
Net asset transfer from affiliates	-	-	30	30
Balances at end of year	$ 26,389	$ 29,701	45,756	$ 101,846
Balances at end of year			45,756	
Beneficial interest in perpetual trust			8,409	
Permanently restricted net assets			$ 54,165	

Changes in endowment net assets for the year ended June 30, 2016:

	2016			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at beginning of year	$ 26,405	$ 28,296	$ 44,491	$ 99,192
Net investment return	(54)	(1,477)	3	(1,528)
Contributions	-	271	699	970
Transfers	-	(216)	180	(36)
Release of appropriated funds	(146)	(1,094)	-	(1,240)
Net asset transfer from affiliates	-	-	29	29
Balances at end of year	$ 26,205	$ 25,780	45,402	$ 97,387

Balances at end of year	45,402
Beneficial interest in perpetual trust	8,188
Permanently restricted net assets	$ 53,590

10. Long-Term Debt

A summary of long-term debt at June 30, 2017 and 2016 is as follows:

(in thousands of dollars)	2017	2016
Variable rate issues		
New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds		
Series 2015A, principal maturing in varying annual amounts, through August 2031 (2)	$ 82,975	$ 86,710
Series 2013, principal maturing in varying annual amounts, through August 2043 (10)	-	19,230
Vermont Educational and Health Buildings Financing Agency (VEHFBA) Revenue Bonds		
Series 2010A, principal maturing in varying annual amounts, through August 2030 (11)	-	7,881
Fixed rate issues		
New Hampshire Health and Education Facilities Authority Revenue Bonds		
Series 2016A, principal maturing in varying annual amounts, through August 2046 (1)	24,608	-
Series 2016B, principal maturing in varying annual amounts, through August 2046 (1)	10,970	-
Series 2014A, principal maturing in varying annual amounts, through August 2022 (4)	26,960	26,960
Series 2014B, principal maturing in varying annual amounts, through August 2033 (4)	14,530	14,530
Series 2012A, principal maturing in varying annual amounts, through August 2031 (5)	71,700	72,720
Series 2012B, principal maturing in varying annual amounts, through August 2031 (5)	39,340	39,900
Series 2012, principal maturing in varying annual amounts, through July 2039 (9)	26,735	27,490
Series 2010, principal maturing in varying annual amounts, through August 2040 (7)	75,000	75,000
Series 2009, principal maturing in varying annual amounts, through August 2038 (8)	57,540	63,370
Total variable and fixed rate debt	430,358	433,791

A summary of long-term debt at June 30, 2017 and 2016 is as follows (continued):

(in thousands of dollars)	2017	2016
Other		
Revolving Line of Credit, principal maturing through March 2019 (3)	49,750	49,750
Series 2012, principal maturing in varying annual amounts, through July 2025 (6)	136,000	140,000
Series 2010, principal maturing in varying annual amounts, through August 2040 (12)*	15,900	16,287
Note payable to a financial institution payable in interest free monthly installments through July 2015; collateralized by associated equipment*	811	313
Note payable to a financial institution due in monthly interest only payments from October 2011 through September 2012, and monthly installments from October 2012 through 2016, including principal and interest at 3.25%; collateralized by savings account*	-	2,952
Note payable to a financial institution with entire principal due June 2029 that is collateralized by land and building. The note payable is interest free*	437	494
Mortgage note payable to the US Dept of Agriculture; monthly payments of $10,892 include interest of 2.375% through November 2046*	2,763	-
Obligations under capital leases	3,435	4,875
Total other debt	209,096	214,671
Total variable and fixed rate debt	430,358	433,791
Total long-term debt	639,454	648,462
Less		
Original issue discount, net	862	881
Bond issuance costs, net	3,832	3,933
Current portion	18,357	18,307
	$ 616,403	$ 625,341

Aggregate annual principal payments required under revenue bond agreements and capital lease obligations for the next five years ending June 30 and thereafter are as follows:

(in thousands of dollars)	2017
2018	$ 18,357
2019	68,279
2020	19,401
2021	19,448
2022	19,833
Thereafter	494,136
	$ 639,454

Dartmouth-Hitchcock Obligated Group (DHOG) Bonds.

MHMH established the DHOG in 1993 for the original purpose of issuing bonds financed through NHHEFA or the "Authority". The members of the obligated group consist of MHMH, DHC, Cheshire, NLH and MAHHC. D-HH is designated as the obligated group agent.

Revenue Bonds issued by members of the DHOG are administered through notes registered in the name of the Bond Trustee and in accordance with the terms of a Master Trust Indenture. The Master Trust Indenture contains provisions permitting the addition, withdrawal, or consolidation of members of the DHOG under certain conditions. The notes constitute a joint and several obligation of the members of the DHOG (and any other future members of the DHOG) and are equally and ratably collateralized by a pledge of the members' gross receipts. The DHOG is also subject to certain annual covenants under the Master Trust Indenture, the most restrictive of which are the Annual Debt Service Coverage Ratio (1.10x) and the Days Cash on Hand Ratio (> 75 days).

(1) Series 2016A and 2016B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2016A and 2016B in July 2016 through a private placement with a financial institution. The Series 2016A Revenue Bonds were primarily used to refund Series 2013A and Series 2013B and the Series 2016B Revenue Bonds were used to finance 2016 projects. The Series 2016A Revenue Bonds mature in variable amounts through 2046. Interest is equal to the sum of .70 times one month LIBOR plus .70 times the spread. The variable rate as of June 30 2017 was 1.48% The Series 2016B is fixed with an interest rate of 1.78% and matures at various dates through 2046.

(2) Series 2015A Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2015A in September 2015 through a private placement with a financial institution. The Series 2015A Revenue Bonds were primarily used to refinance a portion of the Series 2011 Revenue Bonds and to cover cost of issuance. The Series 2015A Revenue Bonds accrue interest variably and mature at various dates through 2031 based on the one-month London Interbank Offered Rate (LIBOR). The variable rate as of June 30 2017 was 1.51%

(3) Revolving Line of Credit

Through the DHOG, entered into Revolving Line of Credit TD Bank, N.A. (TD Bank). Interest on the TD Bank loan accrues variably and matures at various dates through March 2019. The variable rate as of June 30 2017 was 1.63%

(4) Series 2014A and Series 2014B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2014A and Series 2014B in August 2014. The proceeds from the Series 2014A and 2014B Revenue Bonds were used to partially refund the Series 2009 Revenue Bonds and to cover cost of issuance. Interest on the 2014A Revenue Bonds is fixed with an interest rate of 2.63% and matures at various dates through 2022. Interest on the Series 2014B Revenue Bonds is fixed with an interest rate of 4.00% and matures at various dates through 2033.

(5) Series 2012A and 2012B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2012A and Series 2012B in November 2012. The proceeds from the Series 2012A and 2012B were used to advance refund the Series 2002 Revenue Bonds and to cover cost of issuance. Interest on the 2012A Revenue Bonds is fixed with an interest rate of 2.29% and matures at various dates through 2031. Interest on the Series 2012B Revenue Bonds is fixed with an interest rate of 2.33% and matures at various dates through 2031.

(6) Series 2012 Bank Loan

Through the DHOG, issued the Bank of America, N.A. Series 2012 note, in July 2012. The proceeds from the Series 2012 note were used to prefund the D-H defined benefit pension plan. Interest on the Series 2012 note accrues at a fixed rate of 2.47% and matures at various dates through 2025.

(7) Series 2010 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2010, in June 2010. The proceeds from the Series 2010 Revenue Bonds were primarily used to construct a 140,000 square foot ambulatory care facility in Nashua, NH as well as various equipment. Interest on the bonds accrue at a fixed rate of 5.00% and mature at various dates through August 2040.

(8) Series 2009 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2009, in August 2009. The proceeds from the Series 2009 Revenue Bonds were primarily used to advance refund the Series 2008 Revenue Bonds. Interest on the Series 2009 Revenue Bonds accrue at varying fixed rates between 5.00% and 6.00% and mature at various dates through August 2038.

(9) Series 2012 Revenue Bonds

Issued through the NHHEFA $29,650,000 of tax-exempt Revenue Bonds Series 2012. The proceeds of these bonds were used to refund 1998 and 2009 Series Bonds, to finance the settlement cost of the interest rate swap, and to finance the purchase of certain equipment and renovations. The bonds are collateralized by an interest in its gross receipts under the terms of the bond agreement. The bonds have fixed interest coupon rates ranging from 2.0% to 5.0% (a net interest cost of 3.96%). Principal is payable in annual installments ranging from $780,000 to $1,750,000 through July 2039.

(10) Series 2013 Revenue Bonds

Issued through the NHHEFA $15,520,000 tax exempt Revenue Bonds Series 2013A. The Series 2013A funds were used to refund Series 2007 Revenue Bonds. Additional borrowings were obtained (up to $9,480,000 Revenue Bonds, Series 2013B) for the construction of a new health center building in Newport, NH. The bonds are collateralized by the gross receipts and property. The bonds mature in variable amounts through 2043, the maturity date of the bonds, but are subject to mandatory tender in ten years. Interest is payable monthly and is equal to the sum of .72 times the Adjusted LIBOR Rate plus .72 times the credit spread rate. As part of the bond refinancing, the swap arrangement was effectively terminated for federal tax purposes with

respect to the Series 2007 Revenue Bonds but remains in effect. These bonds were paid with the proceeds of the Series 2016A Revenue Bonds.

(11) Series 2010A Revenue Bonds

Issued through the VEHBFA $9,244,000 of Revenue Bonds Series 2010A. The funds were used to refund 2004 and 2005 Series A Bonds. The bonds are collateralized by gross receipts. The bonds shall bear interest at the one-month LIBOR rate plus 3.50%, multiplied by 6% adjusting monthly. The bonds were purchased by TD Bank on March 1, 2010. Principal payments began on April 1, 2010 for a period of 20 years ranging in amounts from $228,000 in 2014 to $207,000 in 2030. These bonds were refunded in July 2016.

Outstanding joint and several indebtedness of the DHOG at June 30, 2017 and 2016 approximates $616,108,000 and $568,940,000, respectively.

Non Obligated Group Bonds

(12) Series 2010 Revenue Bonds

Issued through the Business Finance Authority (BFA) of the State of NH. Interest is based on an annual percentage rate equal to the sum of (a) 69% of the 1-Month LIBOR rate plus (b) 1.8975/5. APD may prepay certain of these bonds according to the terms of the loan and trust agreement. The bonds are redeemable at any time by APD at par value plus any accrued interest. The bonds are also subject to optional tender for purchase (as a whole) in November 2020 at par plus accrued interest.

The Health System Indenture agreements require establishment and maintenance of debt service reserves and other trustee held funds. Trustee held funds of approximately $2,008,000 and $1,950,000 at June 30, 2017 and 2016, respectively, are classified as assets limited as to use in the accompanying consolidated balance sheets.

For the years ended June 30, 2017 and 2016 interest expense on the Health System's long term debt is reflected in the accompanying consolidated statements of operations and changes in net assets as operating expense of approximately $19,838,000 and $19,301,000 and is included in other nonoperating losses of $3,135,000 and $3,201,000, respectively.

Swap Agreements

The Health System is subject to market risks such as changes in interest rates that arise from normal business operation. The Health System regularly assesses these risks and has established business strategies to provide natural offsets, supplemented by the use of derivative financial instruments to protect against the adverse effect of these and other market risks. The Health System has established clear policies, procedures, and internal controls governing the use of derivatives and does not use them for trading, investment, or other speculative purposes.

A summary of the Health System's derivative financial instruments is as follows:

- A Fixed Payor Swap designed as a cash flow hedge of the NHHEFA Series 2011 Revenue Bonds. The Swap had an initial notional amount of $91,040,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 4.56% in exchange for the counterparty's payment of 67% of USD-LIBOR-BBA. The Swap's term matches that of the

associated bonds. The 2011 interest rate swap was not integrated with the 2011 bonds. When the 2011 bonds were refinanced, the swap became associated with the 2015 bond.

- An Interest Rate Swap to hedge the interest rate risk associated with the NHHEFA Series 2013 Revenue Bonds. The Swap had an initial notional amount of $15,000,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 3.94% in exchange for the counterparty's payment at 67% of USD-LIBOR-BBA. The Swap term matches that of the associated bonds.

- An Interest Rate Swap to hedge the interest rate risk associated with the VEHFBA Series 2010A Revenue Bonds. The Swap had an initial notional amount of $7,244,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 2.41% in exchange for the counterparty's payment of 69% of USD-LIBOR-BBA. The swap was terminated in September 2016, while the bonds will remain outstanding until 2030.

The obligation of the Health System to make payments on its bonds with respect to interest is in no way conditional upon the Health System's receipt of payments from the interest rate swap agreement counterparty.

At June 30, 2017 and 2016 the fair value of the Health System's interest rate swaps was a liability of $20,915,000 and $28,917,000, respectively. The change in fair value during the years ended June 30, 2017 and 2016 was a (decrease) and an increase of ($8,002,000) and $4,177,000, respectively. For the years ended June 30, 2017 and 2016 the Health System recognized a nonoperating gain of $124,000 and $1,696,000 resulting from hedge ineffectiveness and amortization of frozen swaps.

11. Employee Benefits

All eligible employees of the Health System are covered under various defined benefit and/or define contribution plans. In addition, certain affiliates provide postretirement medical and life benefit plans to certain of its active and former employees who meet eligibility requirements. The postretirement medical and life plans are not funded.

All of the defined benefit plans within the Health System have been frozen or had been approved by the applicable Board of Trustees to be frozen by December 31, 2017.

In December of 2016 the Board of Trustees approved to accelerate the freeze date on the remaining pension plan from December 31, 2017 to January 31, 2017. Effective with that date, the last of the participants earning benefits in any of the Health System's defined benefit plans will no longer earn benefits under the plans.

The Health System continued to execute the settlement of obligations due to retirees in the defined benefit plans through bulk lump sum offerings or purchases of annuity contracts. The annuity purchases follow guidelines established by the Department of Labor (DOL). The Health System anticipates continued consideration and/or implementation of additional settlements over the next several years.

Defined Benefit Plans

Net periodic pension expense included in employee benefits in the consolidated statements of operations and changes in net assets is comprised of the components listed below for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Service cost for benefits earned during the year	$ 5,736	$ 11,084
Interest cost on projected benefit obligation	47,316	48,036
Expected return on plan assets	(64,169)	(63,479)
Net prior service cost	109	848
Net loss amortization	20,267	26,098
Special/contractural termination benefits	119	300
One-time benefit upon plan freeze acceleration	9,519	-
	$ 18,897	$ 22,887

The following assumptions were used to determine net periodic pension expense as of June 30, 2017 and 2016:

	2017	2016
Discount rate	4.20 % – 4.90 %	4.30 % – 4.90%
Rate of increase in compensation	Age Graded - N/A	Age Graded/0.00 % - 2.50 %
Expected long-term rate of return on plan assets	7.50 % – 7.75 %	7.50 % – 7.75 %

The following table sets forth the funded status and amounts recognized in the Health System's consolidated financial statements for the defined benefit pension plans at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Change in benefit obligation		
Benefit obligation at beginning of year	$ 1,096,619	$ 988,143
Service cost	5,736	11,084
Interest cost	47,316	48,108
Benefits paid	(43,276)	(39,001)
Expenses paid	(183)	(180)
Actuarial (gain) loss	6,884	99,040
Settlements	-	(13,520)
Plan change	-	2,645
Special/contractual termination benefits	-	300
One-time benefit upon plan freeze acceleration	9,519	-
Benefit obligation at end of year	1,122,615	1,096,619
Change in plan assets		
Fair value of plan assets at beginning of year	872,320	845,052
Actual return on plan assets	44,763	81,210
Benefits paid	(43,276)	(42,494)
Expenses paid	(183)	(180)
Employer contributions	5,077	2,252
Settlements	-	(13,520)
Fair value of plan assets at end of year	878,701	872,320
Funded status of the plans	(243,914)	(224,299)
Less current portion of liability for pension	(46)	(46)
Long term portion of liability for pension	(243,868)	(224,253)
Liability for pension	$ (243,914)	$ (224,299)

For the years ended June 30, 2017 and 2016 the liability for pension is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic pension expense and included in the change in unrestricted net assets as of June 30, 2017 and 2016 are as follows:

(in thousands of dollars)	2017	2016
Net actuarial loss	$ 429,782	$ 423,640
Prior service cost	-	228
	$ 429,782	$ 423,868

The estimated amounts to be amortized from unrestricted net assets into net periodic pension expense in 2018 for net actuarial losses is $10,966,000.

The accumulated benefit obligation for the defined benefit pension plans was approximately $1,123,010,000 and $1,082,818,000 at June 30, 2016 and 2017, respectively.

The following table sets forth the assumptions used to determine the benefit obligation at June 30, 2017 and 2016:

	2017	2016
Discount rate	4.00 % – 4.30 %	4.20 % – 4.30 %
Rate of increase in compensation	N/A - 0.00 %	Age Graded/0.00 % - 2.50 %

The primary investment objective for the Plan's assets is to support the Pension liabilities of the Pension Plans for Employees of the Health System, by providing long-term capital appreciation and by also using a Liability Driven Investing ("LDI") strategy to partially hedge the impact fluctuating interest rates have on the value of the Plan's liabilities. As of June 30, 2017 and 2016, it is expected that the LDI strategy will hedge approximately 55% and 65%, respectively, of the interest rate risk associated with pension liabilities. To achieve the appreciation and hedging objectives, the Plans utilize a diversified structure of asset classes designed to achieve stated performance objectives measured on a total return basis, which includes income plus realized and unrealized gains and losses.

The range of target allocation percentages and the target allocations for the various investments are as follows:

	Range of Target Allocations	Target Allocations
Cash and short-term investments	0–5%	3%
U.S. government securities	0–5	5
Domestic debt securities	20–58	38
Global debt securities	6–26	8
Domestic equities	5–35	19
International equities	5–15	11
Emerging market equities	3–13	5
Real estate investment trust funds	0–5	0
Private equity funds	0–5	0
Hedge funds	5–18	11

To the extent an asset class falls outside of its target range on a quarterly basis, the Health System shall determine appropriate steps, as it deems necessary, to rebalance the asset class.

The Boards of Trustees of the Health System, as Plan Sponsors, oversee the design, structure, and prudent professional management of the Health System's Plans' assets, in accordance with Board approved investment policies, roles, responsibilities and authorities and more specifically the following:

- Establishing and modifying asset class targets with Board approved policy ranges,
- Approving the asset class rebalancing procedures,

- Hiring and terminating investment managers, and
- Monitoring performance of the investment managers, custodians and investment consultants.

The hierarchy and inputs to valuation techniques to measure fair value of the Plans' assets are the same as outlined in Note 7. In addition, the estimation of fair value of investments in private equity and hedge funds for which the underlying securities do not have a readily determinable value is made using the NAV per share or its equivalent as a practical expedient. The Health System's Plans own interests in these funds rather than in securities underlying each fund and, therefore, are generally required to consider such investments as Level 2 or 3, even though the underlying securities may not be difficult to value or may be readily marketable.

The following table sets forth the Health System's Plans' investments and deferred compensation plan assets that were accounted for at fair value as of June 30, 2017 and 2016:

	2017					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 23	$ 29,792	$ -	$ 29,815	Daily	1
U.S. government securities	7,875	-	-	7,875	Daily–Monthly	1–15
Domestic debt securities	140,498	243,427	-	383,925	Daily–Monthly	1–15
Global debt securities	426	90,389	-	90,815	Daily–Monthly	1–15
Domestic equities	154,597	16,938	-	171,535	Daily–Monthly	1–10
International equities	9,837	93,950	-	103,787	Daily–Monthly	1–11
Emerging market equities	2,141	45,351	-	47,492	Daily–Monthly	1–17
REIT funds	362	2,492	-	2,854	Daily–Monthly	1–17
Private equity funds	-	-	96	96	See Note 7	See Note 7
Hedge funds	-	-	40,507	40,507	Quarterly–Annual	60–96
Total investments	$ 315,759	$ 522,339	$ 40,603	$ 878,701		

	2016					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 5,463	$ 10,879	$ -	$ 16,342	Daily	1
U.S. government securities	4,177	-	-	4,177	Daily–Monthly	1–15
Domestic debt securities	95,130	296,362	-	391,492	Daily–Monthly	1–15
Global debt securities	409	88,589	-	88,998	Daily–Monthly	1–15
Domestic equities	148,998	15,896	-	164,894	Daily–Monthly	1–10
International equities	12,849	77,299	-	90,148	Daily–Monthly	1–11
Emerging market equities	352	37,848	-	38,200	Daily–Monthly	1–17
REIT funds	356	1,465	-	1,821	Daily–Monthly	1–17
Private equity funds	-	-	255	255	See Note 7	See Note 7
Hedge funds	-	37,005	38,988	75,993	Quarterly–Annual	60–96
Total investments	$ 267,734	$ 565,343	$ 39,243	$ 872,320		

The following table presents additional information about the changes in Level 3 assets measured at fair value for the years ended June 30, 2017 and 2016:

	2017		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	$ 38,988	$ 255	$ 39,243
Transfers	-	-	-
Purchases	-	-	-
Sales	(880)	(132)	(1,012)
Net realized (losses) gains	33	36	69
Net unrealized gains	2,366	(63)	2,303
Balances at end of year	$ 40,507	$ 96	$ 40,603

	2016		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	$ 42,076	$ 437	$ 42,513
Transfers	-	-	-
Purchases	-	-	-
Sales	(468)	(142)	(610)
Net realized (losses) gains	(55)	155	100
Net unrealized gains	(2,565)	(195)	(2,760)
Balances at end of year	$ 38,988	$ 255	$ 39,243

The total aggregate net unrealized gains (losses) included in the fair value of the Level 3 investments as of June 30, 2017 and 2016 were approximately $7,965,000 and $8,808,000, respectively. There were no transfers into and out of Level 3 measurements during the years ended June 30, 2017 and 2016.

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2017 and 2016.

The weighted average asset allocation for the Health System's Plans at June 30, 2017 and 2016 by asset category is as follows:

	2017	2016
Cash and short-term investments	3 %	2 %
U.S. government securities	1	1
Domestic debt securities	44	45
Global debt securities	10	10
Domestic equities	20	19
International equities	12	10
Emerging market equities	5	4
Hedge funds	5	9
	100 %	100 %

The expected long-term rate of return on plan assets is reviewed annually, taking into consideration the asset allocation, historical returns on the types of assets held, and the current economic environment. Based on these factors, it is expected that the pension assets will earn an average of 7.50% per annum.

The Health System is expected to contribute approximately $5,047,000 to the Plans in 2018 however actual contributions may vary from expected amounts.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending June 30 and thereafter:

(in thousands of dollars)

2018	$ 46,313
2019	48,689
2020	51,465
2021	54,375
2022	57,085
2023 – 2027	323,288

Defined Contribution Plans

The Health System has an employer-sponsored 401(a) plan for certain of its affiliates, under which the employer makes base, transition and discretionary match contributions based on specified percentages of compensation and employee deferral amounts. Total employer contributions to the plan of approximately $33,375,000 and $29,416,000 in 2017 and 2016, respectively, are included in employee benefits in the accompanying consolidated statements of operations and changes in net assets.

Various 403(b) and tax- sheltered annuity plans are available to employees of the Health System. Plan specifications vary by affiliate and plan. No employer contributions were made to any of these plans in 2017 and 2016 respectively.

Postretirement Medical and Life Benefits
The Health System has postretirement medical and life benefit plans covering certain of its active and former employees. The plans generally provide medical or medical and life insurance benefits to certain retired employees who meet eligibility requirements. The plans are not funded.

Net periodic postretirement medical and life benefit (income) cost is comprised of the components listed below for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Service cost	$ 448	$ 544
Interest cost	2,041	2,295
Net prior service income	(5,974)	(5,974)
Net loss amortization	689	610
	$ (2,796)	$ (2,525)

The following table sets forth the accumulated postretirement medical and life benefit obligation and amounts recognized in the Health System's consolidated financial statements at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Change in benefit obligation		
Benefit obligation at beginning of year	$ 51,370	$ 50,438
Service cost	448	544
Interest cost	2,041	2,295
Benefits paid	(3,211)	(3,277)
Actuarial (gain) loss	(8,337)	1,404
Employer contributions	(34)	(34)
Benefit obligation at end of year	42,277	51,370
Funded status of the plans	(42,277)	(51,370)
Current portion of liability for postretirement medical and life benefits	(3,174)	(3,130)
Long term portion of liability for postretirement medical and life benefits	(39,103)	(48,240)
Liability for postretirement medical and life benefits	$ (42,277)	$ (51,370)

For the years ended June 30, 2017 and 2016 the liability for postretirement medical and life benefits is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic postretirement medical and life benefit income and included in the change in unrestricted net assets are as follows:

(in thousands of dollars)	2017	2016
Net prior service income	$ (21,504)	$ (27,478)
Net actuarial loss	2,054	11,080
	$ (19,450)	$ (16,398)

The estimated amounts that will be amortized from unrestricted net assets into net periodic postretirement income in 2018 for net prior service cost is $5,974,000.

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the year ending June 30, 2017 and thereafter:

(in thousands of dollars)	
2018	$ 3,174
2019	3,149
2020	3,142
2021	3,117
2022	3,113
2023-2027	14,623

In determining the accumulated postretirement medical and life benefit obligation, the Health System used a discount rate of 4.20% in 2017 and an assumed healthcare cost trend rate of 6.75%, trending down to 4.75% in 2021 and thereafter. Increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement medical benefit obligation as of June 30, 2017 and 2016 by $1,067,000 and $4,685,000 and the net periodic postretirement medical benefit cost for the years then ended by $110,000 and $284,000, respectively. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated postretirement medical benefit obligation as of June 30, 2017 and 2016 by $974,000 and $3,884,000 and the net periodic postretirement medical benefit cost for the years then ended by $96,000 and $234,000, respectively.

12. Professional and General Liability Insurance Coverage

D-H, along with Dartmouth College, Cheshire, NLH and MAHHC are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a VT captive insurance company. RRG reinsures the majority of this risk to Hamden Assurance Company Limited (HAC), a captive insurance company domiciled in Bermuda and to a variety of commercial reinsurers. D-H and Dartmouth College have ownership interests in both HAC and RRG. The insurance program provides coverage to the covered institutions and named insureds on a modified claims-made basis which means coverage is triggered when claims are made. Premiums and related insurance deposits are actuarially determined based on asserted liability claims adjusted for future development. The reserves for outstanding losses are recorded on an undiscounted basis.

APD is covered for malpractice claims under a modified claims-made policy purchased through New England Alliance for Health (NEAH). While APD remains in the current insurance program under this policy, the coverage year is based on the date the claim is filed; subject to a medical incident arising after the retroactive date (includes prior acts). The policy provides modified claims-made coverage for former insured providers for claims that relate to the employee's period of

employment at APD and for services that were provided within the scope of the employee's duties. Therefore, when the employee leaves the corporation, tail coverage is not required.

Selected financial data of HAC and RRG, taken from the latest available audited and unaudited financial statements, respectively at June 30, 2017 and 2016 are summarized as follows:

	2017		
(in thousands of dollars)	HAC *(audited)*	RRG *(unaudited)*	Total
Assets	$ 76,185	$ 2,055	$ 78,240
Shareholders' equity	13,620	801	14,421
Net income	-	(5)	(5)

	2016		
(in thousands of dollars)	HAC *(audited)*	RRG *(unaudited)*	Total
Assets	$ 86,101	$ 2,237	$ 88,338
Shareholders' equity	13,620	806	14,426
Net income	-	50	50

13. Commitments and Contingencies

Litigation

The Health System is involved in various malpractice claims and legal proceedings of a nature considered normal to its business. The claims are in various stages and some may ultimately be brought to trial. While it is not feasible to predict or determine the outcome of any of these claims, it is the opinion of management that the final outcome of these claims will not have a material effect on the consolidated financial position of the Health System.

Operating Leases and Other Commitments

The Health System leases certain facilities and equipment under operating leases with varying expiration dates. The Health System's rental expense totaled approximately $15,802,000 and $10,571,000 for the years ended June 30, 2017 and 2016, respectively. Minimum future lease payments under noncancelable operating leases at June 30, 2017 were as follows:

(in thousands of dollars)	
2018	$ 8,370
2019	6,226
2020	3,928
2021	3,105
2022	1,518
Thereafter	367
	$ 23,514

Lines of Credit

The Health System has entered into Loan Agreements with financial institutions establishing access to revolving loans ranging from $2,000,000 up to $85,000,000. Interest is variable and determined using LIBOR or the Wall Street Journal Prime Rate. The Loan Agreements are due to expire March 1, 2018. There was no outstanding balance under the lines of credit at June 30, 2017. The Health System had outstanding balances under the lines of credits in the amount of $36,550,000 at June 30, 2016. Interest expense was approximately $915,000 and $551,000, respectively, and is included in the consolidated statements of operations and changes in net assets.

14. Functional Expenses

Operating expenses of the Health System by function are as follows for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Program services	$ 1,662,413	$ 1,553,377
Management and general	311,820	271,409
Fundraising	2,328	5,901
	$ 1,976,561	$ 1,830,687

15. Subsequent Events

The Health System has assessed the impact of subsequent events through November 17, 2017, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Consolidating Supplemental Information - Unaudited

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2017

(in thousands of dollars)	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 27,328	$ 10,645	$ 7,797	$ 6,662	$ -	$ 52,432	$ 16,066	$ -	$ 68,498
Patient accounts receivable, net	193,733	17,723	8,539	4,659	-	224,654	12,606	-	237,260
Prepaid expenses and other current assets	93,816	6,945	3,650	1,351	(16,585)	89,177	8,034	(8,008)	89,203
Total current assets	314,877	35,313	19,986	12,672	(16,585)	366,263	36,706	(8,008)	394,961
Assets limited as to use	580,254	19,104	11,784	9,058	-	620,200	42,123	-	662,323
Other investments for restricted activities	86,398	4,764	2,833	6,079	-	100,074	24,455	-	124,529
Property, plant, and equipment, net	448,743	64,933	43,264	17,167	-	574,107	35,868	-	609,975
Other assets	89,650	2,543	5,965	4,095	(11,520)	90,733	27,674	(21,287)	97,120
Total assets	$ 1,519,922	$ 126,657	$ 83,832	$ 49,071	$ (28,105)	$ 1,751,377	$ 166,826	$ (29,295)	$ 1,888,908
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ 16,034	$ 780	$ 737	$ 80	$ -	$ 17,631	$ 726	$ -	$ 18,357
Line of credit	-	-	-	550	(550)	-	-	-	-
Current portion of liability for pension and other postretirement plan benefits	3,220	-	-	-	-	3,220	-	-	3,220
Accounts payable and accrued expenses	72,362	19,715	5,356	2,854	(16,585)	83,702	13,466	(8,008)	89,160
Accrued compensation and related benefits	99,638	5,428	2,335	3,448	-	110,849	4,062	-	114,911
Estimated third-party settlements	11,322	-	7,265	1,915	-	20,502	6,931	-	27,433
Total current liabilities	202,576	25,923	15,693	8,847	(17,135)	235,904	25,185	(8,008)	253,081
Long-term debt, excluding current portion	545,100	26,185	26,402	10,976	(10,970)	597,693	18,710	-	616,403
Insurance deposits and related liabilities	50,960	-	-	-	-	50,960	-	-	50,960
Interest rate swaps	17,606	-	3,310	-	-	20,916	-	-	20,916
Liability for pension and other postretirement plan benefits, excluding current portion	267,409	8,761	-	6,801	-	282,971	-	-	282,971
Other liabilities	77,622	2,636	1,426	-	-	81,684	8,864	-	90,548
Total liabilities	1,161,273	63,505	46,831	26,624	(28,105)	1,270,128	52,759	(8,008)	1,314,879
Commitments and contingencies									
Net assets									
Unrestricted	258,887	58,250	32,504	15,247	-	364,888	81,344	(21,285)	424,947
Temporarily restricted	68,473	4,902	345	1,363	-	75,083	19,836	(2)	94,917
Permanently restricted	31,289	-	4,152	5,837	-	41,278	12,887	-	54,165
Total net assets	358,649	63,152	37,001	22,447	-	481,249	114,067	(21,287)	574,029
Total liabilities and net assets	$ 1,519,922	$ 126,657	$ 83,832	$ 49,071	$ (28,105)	$ 1,751,377	$ 166,826	$ (29,295)	$ 1,888,908

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2017

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 1,166	$ 27,760	$ 11,601	$ 8,280	$ 6,968	$ 8,129	$ 4,594	$ -	$ 68,498
Patient accounts receivable, net	-	193,733	17,723	8,539	4,681	8,878	3,706	-	237,260
Prepaid expenses and other current assets	3,884	94,305	5,899	3,671	1,340	4,179	518	(24,593)	89,203
Total current assets	5,050	315,798	35,223	20,490	12,989	21,186	8,818	(24,593)	394,961
Assets limited as to use	-	596,904	19,104	11,782	9,889	8,168	16,476	-	662,323
Other investments for restricted activities	6	94,210	21,204	2,833	6,079	197	-	-	124,529
Property, plant, and equipment, net	50	451,418	68,921	43,751	18,935	23,447	3,453	-	609,975
Other assets	23,866	89,819	8,586	5,378	1,812	283	183	(32,807)	97,120
Total assets	$ 28,972	$ 1,548,149	$ 153,038	$ 84,234	$ 49,704	$ 53,281	$ 28,930	$ (57,400)	$ 1,888,908
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ -	$ 16,034	$ 780	$ 737	$ 137	$ 603	$ 66	$ -	$ 18,357
Line of credit	-	-	-	-	550	-	-	(550)	-
Current portion of liability for pension and other postretirement plan benefits	-	3,220	-	-	-	-	-	-	3,220
Accounts payable and accrued expenses	5,996	72,806	19,718	5,365	2,946	5,048	1,874	(24,593)	89,160
Accrued compensation and related benefits	-	99,638	5,428	2,335	3,480	2,998	1,032	-	114,911
Estimated third-party settlements	6,165	11,322	-	7,265	1,915	766	-	-	27,433
Total current liabilities	12,161	203,020	25,926	15,702	9,028	9,415	2,972	(25,143)	253,081
Long-term debt, excluding current portion	-	545,100	26,185	26,402	11,356	15,633	2,697	(10,970)	616,403
Insurance deposits and related liabilities	-	50,960	-	-	-	-	-	-	50,960
Interest rate swaps	-	17,606	-	3,310	-	-	-	-	20,916
Liability for pension and other postretirement plan benefits, excluding current portion	-	267,409	8,761	-	6,801	-	-	-	282,971
Other liabilities	-	77,622	2,531	1,426	-	8,969	-	-	90,548
Total liabilities	12,161	1,161,717	63,403	46,840	27,185	34,017	5,669	(36,113)	1,314,879
Commitments and contingencies									
Net assets									
Unrestricted	16,367	278,695	60,758	32,897	15,319	18,965	23,231	(21,285)	424,947
Temporarily restricted	444	74,304	18,198	345	1,363	265	-	(2)	94,917
Permanently restricted	-	33,433	10,679	4,152	5,837	34	30	-	54,165
Total net assets	16,811	386,432	89,635	37,394	22,519	19,264	23,261	(21,287)	574,029
Total liabilities and net assets	$ 28,972	$ 1,548,149	$ 153,038	$ 84,234	$ 49,704	$ 53,281	$ 28,930	$ (57,400)	$ 1,888,908

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2016

(in thousands of dollars)	Dartmouth-Hitchcock	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 1,535	$ 1,535	$ 39,057	$ -	$ 40,592
Patient accounts receivable, net	220,173	220,173	40,815	-	260,988
Prepaid expenses and other current assets	95,158	95,158	23,595	(22,933)	95,820
Total current assets	316,866	316,866	103,467	(22,933)	397,400
Assets limited as to use	551,724	551,724	40,744	-	592,468
Other investments for restricted activities	91,879	91,879	50,157	-	142,036
Property, plant, and equipment, net	454,894	454,894	157,670	-	612,564
Other assets	65,613	65,613	36,582	(14,929)	87,266
Total assets	$ 1,480,976	$ 1,480,976	$ 388,620	$ (37,862)	$ 1,831,734
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	$ 15,638	$ 15,638	$ 2,669	$ -	$ 18,307
Line of Credit	35,000	35,000	1,550	-	36,550
Current portion of liability for pension and other postretirement plan benefits	3,176	3,176	-	-	3,176
Accounts payable and accrued expenses	87,373	87,373	43,104	(22,933)	107,544
Accrued compensation and related benefits	86,997	86,997	16,557	-	103,554
Estimated third-party settlements	21,434	21,434	(1,784)	-	19,650
Total current liabilities	249,618	249,618	62,096	(22,933)	288,781
Long-term debt, excluding current portion	550,090	550,090	75,251	-	625,341
Insurance deposits and related liabilities	56,887	56,887	-	-	56,887
Interest rate swaps	24,148	24,148	4,769	-	28,917
Liability for pension and other postretirement plan benefits, excluding current portion	246,816	246,816	25,677	-	272,493
Other liabilities	54,218	54,218	15,593	-	69,811
Total liabilities	1,181,777	1,181,777	183,386	(22,933)	1,342,230
Commitments and contingencies					
Net assets					
Unrestricted	217,033	217,033	158,079	(14,929)	360,183
Temporarily restricted	51,173	51,173	24,558	-	75,731
Permanently restricted	30,993	30,993	22,597	-	53,590
Total net assets	299,199	299,199	205,234	(14,929)	489,504
Total liabilities and net assets	$ 1,480,976	$ 1,480,976	$ 388,620	$ (37,862)	$ 1,831,734

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2016

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	Eliminations	Health System Consolidated
Assets								
Current assets								
Cash and cash equivalents	$ 607	$ 2,066	$ 16,640	$ 6,699	$ 5,388	$ 9,192	$ -	$ 40,592
Patient accounts receivable, net	-	220,173	17,836	7,377	5,347	10,255	-	260,988
Prepaid expenses and other current assets	7,463	95,738	5,458	3,209	2,022	4,863	(22,933)	95,820
Total current assets	8,070	317,977	39,934	17,285	12,757	24,310	(22,933)	397,400
Assets limited as to use	-	551,724	17,525	10,345	8,260	4,614	-	592,468
Other investments for restricted activities	217	114,719	18,486	2,843	5,742	29	-	142,036
Property, plant, and equipment, net	76	457,570	75,591	43,204	19,659	16,464	-	612,564
Other assets	17,950	65,782	9,496	5,028	3,929	10	(14,929)	87,266
Total assets	$ 26,313	$ 1,507,772	$ 161,032	$ 78,705	$ 50,347	$ 45,427	$ (37,862)	$ 1,831,734
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	$ -	$ 15,638	$ 755	$ 941	$ 466	$ 507	$ -	$ 18,307
Line of credit	-	35,000	-	-	1,550	-	-	36,550
Current portion of liability for pension and other postretirement plan benefits	-	3,176	-	-	-	-	-	3,176
Accounts payable and accrued expenses	9,857	88,557	15,866	6,791	4,589	4,817	(22,933)	107,544
Accrued compensation and related benefits	-	86,997	7,728	2,052	3,128	3,649	-	103,554
Estimated third-party settlements	-	10,534	1,569	5,206	917	1,424	-	19,650
Total current liabilities	9,857	239,902	25,918	14,990	10,650	10,397	(22,933)	288,781
Long-term debt, excluding current portion	-	550,090	26,985	20,767	11,145	16,354	-	625,341
Insurance deposits and related liabilities	-	56,887	-	-	-	-	-	56,887
Interest rate swaps	-	24,148	-	4,646	123	-	-	28,917
Liability for pension and other postretirement plan benefits, excluding current portion	-	246,816	18,662	-	7,015	-	-	272,493
Other liabilities	-	65,118	3,522	1,135	-	36	-	69,811
Total liabilities	9,857	1,182,961	75,087	41,538	28,933	26,787	(22,933)	1,342,230
Commitments and contingencies								
Net assets								
Unrestricted	16,456	234,609	58,978	32,706	14,099	18,264	(14,929)	360,183
Temporarily restricted	-	57,091	16,454	345	1,496	345	-	75,731
Permanently restricted	-	33,111	10,513	4,116	5,819	31	-	53,590
Total net assets	16,456	324,811	85,945	37,167	21,414	18,640	(14,929)	489,504
Total liabilities and net assets	$ 26,313	$ 1,507,772	$ 161,032	$ 78,705	$ 50,347	$ 45,427	$ (37,862)	$ 1,831,734

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2017

(in thousands of dollars)	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Unrestricted revenue and other support									
Net patient service revenue, net of contractual allowances and discounts	$ 1,447,961	$ 214,265	$ 59,928	$ 48,072	$ (19)	$ 1,770,207	$ 88,985	$ -	$ 1,859,192
Provisions for bad debts	42,963	14,125	2,010	1,705	-	60,803	2,842	-	63,645
Net patient service revenue less provisions for bad debts	1,404,998	200,140	57,918	46,367	(19)	1,709,404	86,143	-	1,795,547
Contracted revenue	88,620	-	-	1,861	(41,771)	48,710	(4,995)	(44)	43,671
Other operating revenue	104,611	3,045	3,839	1,592	(1,148)	111,939	6,418	820	119,177
Net assets released from restrictions	9,550	639	116	61	-	10,366	756	-	11,122
Total unrestricted revenue and other support	1,607,779	203,824	61,873	49,881	(42,938)	1,880,419	88,322	776	1,969,517
Operating expenses									
Salaries	787,644	102,769	30,311	23,549	(21,784)	922,489	42,327	1,536	966,352
Employee benefits	202,178	26,632	7,071	5,523	(5,322)	236,082	8,392	381	244,855
Medical supplies and medications	257,100	30,692	6,143	2,905	(273)	296,567	9,513	-	306,080
Purchased services and other	208,671	28,068	12,795	13,224	(17,325)	245,433	45,331	(959)	289,805
Medicaid enhancement tax	50,118	7,800	2,923	1,620	-	62,461	2,608	-	65,069
Depreciation and amortization	66,067	10,238	3,881	2,138	-	82,324	2,238	-	84,562
Interest	17,352	1,127	819	249	(209)	19,338	500	-	19,838
Total operating expenses	1,589,130	207,326	63,943	49,208	(44,913)	1,864,694	110,909	958	1,976,561
Operating margin (loss)	18,649	(3,502)	(2,070)	673	1,975	15,725	(22,587)	(182)	(7,044)
Nonoperating gains (losses)									
Investment gains (losses)	42,484	1,378	1,570	984	(209)	46,207	4,849	-	51,056
Other, net	(3,003)	-	(879)	570	(1,767)	(5,079)	740	186	(4,153)
Contribution revenue from acquisition	-	-	-	-	-	-	20,215	-	20,215
Total nonoperating gains, net	39,481	1,378	691	1,554	(1,976)	41,128	25,804	186	67,118
Excess (deficiency) of revenue over expenses	58,130	(2,124)	(1,379)	2,227	(1)	56,853	3,217	4	60,074
Unrestricted net assets									
Net assets released from restrictions (Note 8)	983	-	9	442	-	1,434	405	-	1,839
Change in funded status of pension and other postretirement benefits	(5,297)	4,031	-	(321)	-	(1,587)	-	-	(1,587)
Net assets transferred (from) to affiliates	(18,380)	900	143	986	-	(16,351)	16,351	-	-
Other changes in net assets	-	-	-	(2,286)	-	(2,286)	5,281	(6,359)	(3,364)
Change in fair value on interest rate swaps	6,418	-	1,337	47	-	7,802	-	-	7,802
Increase (decrease) in unrestricted net assets	$ 41,854	$ 2,807	$ 110	$ 1,095	$ (1)	$ 45,865	$ 25,254	$ (6,355)	$ 64,764

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2017

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Unrestricted revenue and other support									
Net patient service revenue, net of contractual allowances and discounts	$ -	$ 1,447,961	$ 214,265	$ 59,928	$ 48,072	$ 65,835	$ 23,150	$ (19)	$ 1,859,192
Provisions for bad debts	-	42,963	14,125	2,010	1,705	2,275	567	-	63,645
Net patient service revenue less provisions for bad debts	-	1,404,998	200,140	57,918	46,367	63,560	22,583	(19)	1,795,547
Contracted revenue	(5,802)	89,427	-	-	1,861	-	-	(41,815)	43,671
Other operating revenue	673	106,775	3,264	3,837	3,038	1,537	381	(328)	119,177
Net assets released from restrictions	-	10,200	639	116	61	108	-	-	11,122
Total unrestricted revenue and other support	(5,129)	1,611,400	204,043	61,871	51,327	65,203	22,964	(42,162)	1,969,517
Operating expenses									
Salaries	1,009	787,644	102,769	30,311	24,273	29,397	11,197	(20,248)	966,352
Employee benefits	293	202,178	26,632	7,071	5,686	5,532	2,404	(4,941)	244,855
Medical supplies and medications	-	257,100	30,692	6,143	2,905	7,760	1,753	(273)	306,080
Purchased services and other	16,021	212,414	29,902	12,653	13,626	16,564	6,907	(18,282)	289,805
Medicaid enhancement tax	-	50,118	7,800	2,923	1,620	2,608	-	-	65,069
Depreciation and amortization	26	66,067	10,396	3,886	2,242	1,532	413	-	84,562
Interest	-	17,352	1,127	819	249	467	33	(209)	19,838
Total operating expenses	17,349	1,592,873	209,318	63,806	50,601	63,860	22,707	(43,953)	1,976,561
Operating (loss) margin	(22,478)	18,527	(5,275)	(1,935)	726	1,343	257	1,791	(7,044)
Nonoperating gains (losses)									
Investment (losses) gains	(321)	44,746	2,124	1,516	1,045	439	1,716	(209)	51,056
Other, net	-	(3,003)	-	(879)	581	(161)	888	(1,579)	(4,153)
Contribution revenue from acquisition	20,215	-	-	-	-	-	-	-	20,215
Total nonoperating gains, net	19,894	41,743	2,124	637	1,626	278	2,604	(1,788)	67,118
(Deficiency) excess of revenue over expenses	(2,584)	60,270	(3,151)	(1,298)	2,352	1,621	2,861	3	60,074
Unrestricted net assets									
Net assets released from restrictions (Note 8)	-	1,075	-	9	442	158	155	-	1,839
Change in funded status of pension and other postretirement benefits	-	(5,297)	4,031	-	(321)	-	-	-	(1,587)
Net assets transferred (from) to affiliates	(3,864)	(18,380)	900	143	986	-	20,215	-	-
Additional paid in capital	-	-		-	-	-	-		-
Other changes in net assets	6,359	-	-	-	(2,286)	(1,078)	-	(6,359)	(3,364)
Change in fair value on interest rate swaps	-	6,418	-	1,337	47	-	-	-	7,802
(Decrease) increase in unrestricted net assets	$ (89)	$ 44,086	$ 1,780	$ 191	$ 1,220	$ 701	$ 23,231	$ (6,356)	$ 64,764

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2016

(in thousands of dollars)	Dartmouth-Hitchcock	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Unrestricted revenue and other support					
Net patient service revenue, net of contractual allowances and discounts	$ 1,387,677	$ 1,387,677	$ 302,159	$ (561)	$ 1,689,275
Provisions for bad debts	41,072	41,072	14,049	-	55,121
Net patient service revenue less provisions for bad debts	$ 1,346,605	$ 1,346,605	$ 288,110	$ (561)	$ 1,634,154
Contracted revenue	63,188	63,188	2,794	-	65,982
Other operating revenue	69,902	69,902	16,994	(4,544)	82,352
Net assets released from restrictions	7,928	7,928	1,291	-	9,219
Total unrestricted revenue and other support	1,487,623	1,487,623	309,189	(5,105)	1,791,707
Operating expenses					
Salaries	731,721	731,721	126,108	14,636	872,465
Employee benefits	197,050	197,050	34,824	2,533	234,407
Medical supplies and medications	236,918	236,918	72,896	-	309,814
Purchased services and other	208,763	208,763	68,582	(22,204)	255,141
Medicaid enhancement tax	46,078	46,078	12,487	-	58,565
Depreciation and amortization	62,348	62,348	18,646	-	80,994
Interest	16,821	16,821	2,480	-	19,301
Total operating expenses	1,499,699	1,499,699	336,023	(5,035)	1,830,687
Operating (loss) margin	(12,076)	(12,076)	(26,834)	(70)	(38,980)
Nonoperating (losses) gains					
Investment losses	(18,537)	(18,537)	(1,566)	-	(20,103)
Other, net	(3,789)	(3,789)	(56)	-	(3,845)
Contribution revenue from acquisition	-	-	18,014	69	18,083
Total nonoperating (losses) gains, net	(22,326)	(22,326)	16,392	69	(5,865)
Deficiency of revenue over expenses	(34,402)	(34,402)	(10,442)	(1)	(44,845)
Unrestricted net assets					
Net assets released from restrictions (Note 8)	1,994	1,994	1,254	-	3,248
Change in funded status of pension and other postretirement benefits	(52,262)	(52,262)	(14,279)	-	(66,541)
Net assets transferred (from) to affiliates	(22,558)	(22,558)	22,558	-	-
Additional paid in capital	-	-	12,793	(12,793)	-
Change in fair value on interest rate swaps	(4,907)	(4,907)	(966)	-	(5,873)
(Decrease) increase in unrestricted net assets	$ (112,135)	$ (112,135)	$ 10,918	$ (12,794)	$ (114,011)

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2016

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	Eliminations	Health System Consolidated
Unrestricted revenue and other support								
Net patient service revenue, net of contractual allowances and discounts	$ -	$ 1,387,677	$ 171,620	$ 61,740	$ 47,680	$ 21,119	$ (561)	$ 1,689,275
Provisions for bad debts	-	41,072	9,833	1,951	1,249	1,016	-	55,121
Net patient service revenue less provisions for bad debts	-	1,346,605	161,787	59,789	46,431	20,103	(561)	1,634,154
Contracted revenue	1,696	64,286	-	-	-	-	-	65,982
Other operating revenue	3,300	71,475	3,187	3,509	4,555	870	(4,544)	82,352
Net assets released from restrictions	-	8,713	322	65	119	-	-	9,219
Total unrestricted revenue and other support	4,996	1,491,079	165,296	63,363	51,105	20,973	(5,105)	1,791,707
Operating expenses								
Salaries	730	732,393	60,406	29,873	24,019	10,408	14,636	872,465
Employee benefits	219	197,165	19,276	6,824	6,260	2,130	2,533	234,407
Medical supplies and medications	-	236,918	59,121	6,597	4,246	2,932	-	309,814
Purchased services and other	22,506	211,611	14,020	12,876	11,955	4,377	(22,204)	255,141
Medicaid enhancement tax	-	46,078	7,132	2,808	1,707	840	-	58,565
Depreciation and amortization	15	62,348	11,069	4,674	2,345	543	-	80,994
Interest	-	16,821	1,046	823	467	144	-	19,301
Total operating expenses	23,470	1,503,334	172,070	64,475	50,999	21,374	(5,035)	1,830,687
Operating (loss) margin	(18,474)	(12,255)	(6,774)	(1,112)	106	(401)	(70)	(38,980)
Nonoperating gains (losses)								
Investment (losses) gains	(1,027)	(18,848)	(1,075)	627	(15)	235	-	(20,103)
Other, net	(529)	(3,647)	-	57	205	-	69	(3,845)
Contribution revenue from acquisition	18,083	-	-	-	-	-	-	18,083
Total nonoperating (losses) gains, net	16,527	(22,495)	(1,075)	684	190	235	69	(5,865)
(Deficiency) excess of revenue over expenses	(1,947)	(34,750)	(7,849)	(428)	296	(166)	(1)	(44,845)
Unrestricted net assets								
Net assets released from restrictions (Note 8)	-	2,185	107	23	586	347	-	3,248
Change in funded status of pension and other postretirement benefits	-	(52,262)	(12,982)	-	(1,297)	-	-	(66,541)
Net assets transferred to (from) affiliates	4,475	(22,558)	-	-	-	18,083	-	-
Additional paid in capital	12,793	-	-	-	-	-	(12,793)	-
Change in fair value on interest rate swaps	-	(4,907)	-	(1,115)	149	-	-	(5,873)
Increase (decrease) in unrestricted net assets	$ 15,321	$ (112,292)	$ (20,724)	$ (1,520)	$ (266)	$ 18,264	$ (12,794)	$ (114,011)

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Supplemental Consolidating Information
June 30, 2017 and 2016

1. Basis of Presentation

The accompanying supplemental consolidating information includes the consolidating balance sheet and the consolidating statement of operations and changes in unrestricted net assets of D-HH and subsidiaries. All intercompany accounts and transactions between D-HH and subsidiaries have been eliminated. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

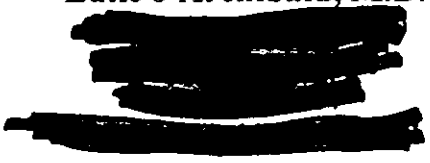
DARTMOUTH-HITCHCOCK (D-H)
DARTMOUTH-HITCHCOCK HEALTH (D-HH)

BOARDS OF TRUSTEES & BOARD OFFICERS | Effective: January 2018

Jeffrey A. Cohen, MD MHMH/DHC Trustee *Chair, Dept. of Neurology*	**Robert A. Oden, Jr., PhD** MHMH/DHC/D-HH Boards' Vice Chair *Retired President, Carleton College*
Duane A. Compton, PhD MHMH/DHC/D-HH Trustee *Ex-Officio: Dean, Geisel School of Medicine at Dartmouth*	**Steven A. Paris, MD** D-HH Trustee *Regional Medical Director, Community Group Practices (CGPs)*
William J. Conaty MHMH/DHC/D-HH Trustee *President, Conaty Consulting, LLC*	**Charles G. Plimpton, MBA** MHMH/DHC/D-HH Boards' Treasurer *Retired Investment Banker*
Joanne M. Conroy, MD MHMH/DHC/D-HH Trustee *Ex-officio: CEO, Dartmouth-Hitchcock; President, D-HH* *Effective August 7, 2017*	**Kari M. Rosenkranz, MD** MHMH/DHC (Lebanon Physician) Trustee *Associate Professor of Surgery; Medical Director, Comprehensive Breast Program; and Vice Chair for Education, Department of Surgery*
Vincent S. Conti, MHA MHMH/DHC/D-HH Trustee *Retired President & CEO, Maine Medical Center*	**Brian C. Spence, MD, MHCDS** MHMH/DHC Trustee *Associate Professor of Anesthesiology*
Denis A. Cortese, MD MHMH/DHC/D-HH Trustee *Foundation Professor at Arizona State University (ASU) and Director of ASU's Healthcare Delivery and Policy Program*	**Edward H. Stansfield, III, MA** MHMH/DHC/D-HH Trustee *Senior Resident Director and Senior Vice President for the Hanover, NH Merrill Lynch Office*
Barbara J. Couch MHMH/DHC/D-HH Boards' Secretary *President of Hypertherm's HOPE Foundation (includes leadership of all of Hypertherm's philanthropic and volunteer initiatives)*	**Pamela Austin Thompson, MS, RN, CENP, FAAN** MHMH/DHC/D-HH Trustee *Chief executive officer emeritus of the American Organization of Nurse Executives (AONE)*
Paul P. Danos, PhD MHMH/DHC/D-HH Trustee *Dean Emeritus; Laurence F. Whittemore Professor of Business Administration, Tuck School of Business at Dartmouth*	**Anne-Lee Verville** MHMH/DHC/D-HH Boards' Chair *Retired senior executive, IBM*
Senator Judd A. Gregg MHMH/DHC Trustee *Senior Advisor to SIFMA*	**Jon Wahrenberger, MD** MHMH/DHC (Lebanon Physician) Trustee Cardiologist
Laura K. Landy, MBA MHMH/DHC/D-HH Trustee *President and CEO of the Fannie E. Rippel Foundation*	**Marc B. Wolpow, JD, MBA** MHMH/DHC/D-HH Trustee *Co-Chief Executive Officer of Audax Group*

Curriculum Vitae

Luke J Archibald, M.D.



Current Positions

1/2017 - present	Director, Division of Addiction Services Department of Psychiatry Bellevue Hospital, New York, NY
7/2015 - present	Unit Chief, 20 East Dual Diagnosis Department of Psychiatry Bellevue Hospital, New York, NY
7/2014 - present	Clinical Assistant Professor of Psychiatry New York University School of Medicine

Postdoctoral Training

7/2013 - 6/2014	Addiction Fellow, Department of Psychiatry New York University School of Medicine
7/2012 - 6/2013	Chief Resident, Department of Psychiatry New York University School of Medicine
7/2009 - 6/2012	Resident Physician, Department of Psychiatry New York University School of Medicine

Education

8/2005 - 5/2009	M.D., Columbia University College of Physicians and Surgeons New York, NY
8/1998 - 5/2002	Bachelor of Science in Chemistry, University of Notre Dame Notre Dame, IN

Licensure

2010	New York State License in Medicine, Registration #258530
2014	Buprenorphine Certification in accordance with DATA 2000

Board Certification

2013	American Board of Psychiatry and Neurology
2014	Addiction Psychiatry, American Board of Psychiatry and Neurology

Academic Appointments

2014 - present	Clinical Assistant Professor of Psychiatry New York University School of Medicine

Professional Experience

1/2017 - present	Director, Division of Alcoholism and Drug Abuse Department of Psychiatry Bellevue Hospital, New York, NY
7/2015 - present	Unit Chief, 20 East Dual Diagnosis Department of Psychiatry Bellevue Hospital, New York, NY
7/2014 - 6/2015	Attending Psychiatrist Comprehensive Psychiatric Emergency Room (CPEP) Bellevue Hospital, New York, NY
7/2011 - 6/2013	Psychiatry Moonlighter North Shore/LIJ Lenox Hill Hospital, New York, NY

Other Professional Positions

7/2013 - present	Private Psychiatric Practice New York, NY

Professional Memberships

2013 - present	Member, American Academy of Addiction Psychiatry (AAAP)
2009 - present	Member, American Psychiatric Association (APA)
2006 -2009	Student Member, American Psychiatric Association (APA)

Committee Assignments and Administrative Responsibilities

2017 - present	Psychiatry Executive Committee, Department of Psychiatry Bellevue Hospital
2012 - present	Residency Selection Committee New York University Psychiatry Residency Program
2012-2013	Education Committee New York University Psychiatry Residency Program
2001-2002	Department of Chemistry Ethics Committee University of Notre Dame

Awards and Honors

2002	Magna Cum Laude, University of Notre Dame
2002	Merck Index Award for Excellence in Chemistry, University of Notre Dame
2012 - 2013	Chief Resident, NYU Department of Psychiatry

Teaching Experience

2012	Pre-Clinical Psychiatry Interviewing Seminar	Group preceptor	12 hr/yr
2014	Case Conference, Manhattan Psychiatric Center	Discussant	1 hr
2014	Addiction Psychiatry Divisional Grand Rounds	Lecturer	1 hr
2014	Bellevue Psychiatry Noon Conference	Lecturer	1 hr
2014-	General PGY3 Psychiatry Supervisor	Supervisor	1 hr/wk
2014-2015	Supervision of PGY1 Residents	Supervisor	4 hr/wk
2015	Case Conference, Manhattan VA Hospital	Discussant	1 hr
2015-	Psychology Extern Program, Bellevue	Lecturer	1 hr/yr
2015-	Supervision of Addiction Psychiatry Fellows	Supervisor	5 hr/week
2015-	Supervision of Medical Students	Supervisor	5 hr/week
2016-	NYU Residency, Introduction to Psychiatry	Lecturer	3 hr/yr
2016-	Addiction Psychiatry Fellowship	Lecturer	1 hr/yr

Book Chapters

Kwon J., Archibald L., Deringer, E. (2016) Substance Abuse: Intoxication and Withdrawal. In Maloy K. (Ed), *A Case-Based Approach to Emergency Psychiatry.* Oxford University Press.

Archibald L., (2018) Twelve-Step Programs and the Dually Diagnosed. In Avery J, Barnhill J. (Ed), *Co-Occurring Mental Illness and Substance Use Disorders: A Guide to Diagnosis and Treatment.* American Psychiatric Association Publishing.

Previous Work Experience

6/2002 - 8/2005 Actuarial Analyst, Mercer Consulting (Marsh & McLennan)
New York, NY

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Luke Archibald	Medical Director	$300,000	5%	$15,000

Subject: Medication Assisted Treatment (RFP-2019-BDAS-05-MEDIC-05)

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

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Riverbend Community Mental Health, Inc.		1.4 Contractor Address 278 Pleasant Street Concord, NH 03302	
1.5 Contractor Phone Number 603-226-7505	1.6 Account Number 05-95-92-920510-7040 – 500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $271,428
1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Peter Evans CEO	

1.13 Acknowledgement: State of New Hampshire County of Merrimack

On November 14, 2018, 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

Andrea D Beaudoin

[Seal]

1.13.2 Name and Title of Notary or Justice of the Peace

Andrea D Beaudoin Senior Executive Assistant

1.14 State Agency Signature Date: 11/15/18	1.15 Name and Title of State Agency Signatory Katja S Fox, Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: On: 11/16/2018

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

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

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials PE
Date 11/6/19

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

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

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

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

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials PE
Date 11/6/19

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

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

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

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

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

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

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

Contractor Initials PE

Date 11/6/18

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

2. Scope of Work – Community Based

2.1. The Contractor shall provide comprehensive Medication Assisted Treatment (MAT) for individuals with opioid use disorder (OUD) in the Integrated Delivery Network (IDN) Region 2, which is comprised of the Capital area, including but not limited to, delivering MAT medications in conjunction with outpatient or intensive outpatient treatment in accordance with the American Society of Addition Medicine (ASAM) criteria.

2.2. The Contractor shall be a certified Opioid Treatment Program in accordance with He-A 304 if methadone is used for patients served under this contract.

2.1. The Contractor shall support individual recovery by providing MAT patients with clinical and support services that include, but not limited to:

2.1.1. Weekly MAT prescriptions.

2.1.2. Weekly check-ins to build trust and improve compliance.

2.1.3. Flexible spending funds for items essential to recovery, which would not otherwise be covered by third party insurance or Medicaid.

2.1.4. Continuum of care SUD services including, but not limited to:

2.1.4.1. Individual and group counseling.

2.1.4.2. Intensive outpatient (IOP).

2.1.4.3. Peer support.

2.1.5. Hepatitis C (HCV) and Human Immunodeficiency Virus (HIV) prevention, diversion and risk mitigation

2.1.6. Referral to higher levels of care, as needed, including but not limited to residential care.

2.2. The Contractor shall coordinate services with community-based agencies that provide non-SUD treatment services to individuals with OUD in need of additional human service agency services and supports.

2.3. The Contractor shall collaborate with organizations to provide comprehensive MAT care including, but not limited to:

2.3.1. Concord Hospital.

2.3.2. Child and Family Services (CFS).

2.3.3. Integrated Delivery Network 2 (IDN 2).

2.4. The Contractor shall ensure patient-centered care and attention to overdose prevention by using tools which include, but are not limited to:

2.4.1. Center for Disease Control (CDC) opioid prescribing guidelines.

2.4.2. Substance Abuse and Mental Health Services Administration's (SAMHSA's) Opioid Overdose Prevention Toolkit.

2.4.3. State published Guidance Document on Best Practices: Key Components for Delivering Community Based Medication Assisted Treatment Services for Opioid Use Disorders in New Hampshire.

2.5. The Contractor shall provide OUD treatment services that support the Resiliency and Recovery Oriented Systems of Care (RROSC) by operationalizing the Continuum of Care Model. (More information can be found at: http://www.dhhs.nh.gov/dcbcs/bdas/continuum-of-care.htm).

2.6. The Contractor shall provide interim OUD treatment services when the needed treatment services are not available to the client within forty-eight (48) hours of referral. Interim services shall include:

2.6.1. At least one sixty (60) minute individual or group outpatient session per week.

2.6.2. Recovery support services (RSS) as needed by the client.

2.6.3. Daily calls to the client to assess and respond to any emergent needs.

2.7. The Contractor shall ensure that clients are able to move seamlessly between levels of care within a group of services. At a minimum, the Contractor must:

2.7.1. Collaborate with the Continuum of Care Facilitator(s) in the development of a resiliency and recovery oriented system of care (RROSC) in the region(s) served.

2.7.2. Participate in the Regional Continuum of Care Workgroup(s).

2.7.3. Participate in the Integrated Delivery Network(s) (IDNs).

2.7.4. Coordinate all services delivered to clients with the local Regional Hub for OUD services (hereafter referred to as "Hub") including, but not limited to accepting clinical evaluation results for level of care placement from the Hub.

2.8. Before disclosing or re-disclosing any patient information, the Contractor shall ensure that all required patient consent or authorizations to disclose or further disclose confidential protected health information (PHI) or substance use disorder treatment information (SUD) according to all state rule, state and federal law and the special rules for redisclosure in 42 CFR part 2 have been obtained.

2.9. The Contractor shall modify their office electronic health record (EHR) and clinical work flow to ensure required screening activities by clinical staff and appropriate required data collection by care coordinators.

2.10. The Contractor shall establish and maintain formal and effective partnerships with behavioral health, OUD specialty treatment, RSS, and medical practitioners to meet the needs of the patients served.

2.11. The Contractor shall collaborate and develop formal referral and information sharing agreements with other providers that offer services to individuals with OUD, including the local Hub.

2.12. The Contractor shall communicate client needs with the Hub(s) to ensure client access to financial assistance through flexible needs funds managed by the Hub(s).

2.13. The Contractor shall maintain the infrastructure necessary to:

2.13.1. Achieve the goals of MAT expansion.

2.13.2. Meet SAMHSA requirements.

2.13.3. Deliver effective medical care to patients served under this contract.

2.14. The Contractor shall actively participate in state-funded projects which include, but are not limited to:

2.14.1. "Community of Practice for MAT."

2.14.2. Project-specific trainings.

2.14.3. Quarterly web-based discussions.

2.14.4. On-site Technical Assistance (TA) visits.

2.14.5. Ad hoc communication with expert consultants on MAT clinical care topics such as Hepatitis C Virus (HCV) and Human Immunodeficiency Virus (HIV) prevention, diversion risk mitigation and other relevant issues.

2.15. The Contractor shall ensure compliance with confidentiality requirements which include, but are not limited to:

2.15.1. Federal and state laws and New Hampshire state administrative rules.

2.15.2. HIPAA Privacy Rule.

2.15.3. 42 C.F.R Part 2.

2.16. The Contractor shall have policies and procedures in place to ensure that all staff are trained in the areas listed in Subsection 2.15 and will safeguard all confidential information.

2.17. The Contractor shall participate in all evaluation activities associated with the funding opportunity, including national evaluations.

2.18. The Contractor shall use data to support quality improvement to ensure the standard of care for clients continuously improves by ensuring:

2.18.1. Data is collected from all sites.

2.18.2. Data is reviewed at team meetings, on a monthly basis.

2.18.3. Data is reviewed by an oversight committee on a quarterly basis.

2.18.4. Team and oversight committee meetings include discussions regarding potential improvements and how to implement those improvements.

2.19. The Contractor shall utilize the State's Prescription Drug Monitoring Program (PDMP) database to mitigate prescription drug diversion or harmful interactions.

2.20. The Contractor shall develop, obtain Department approval, and implement outreach and marketing activities specifically designed to engage the population(s) identified in the community using MAT and wrap around services that are culturally appropriate and follow Culturally and Linguistically Appropriate Standards (CLAS) standards.

2.21. The Contractor shall ensure outreach and marketing activities include, but are not limited to:

2.21.1. Developing a one-page brochure of common scenarios related to OUD, that includes Regional Hub and contractor contact information for distribution to:

2.21.1.1. Medical outpatient settings.

2.21.1.2. Emergency rooms.

2.21.1.3. Inpatient providers.

2.21.2. Ensuring all printed materials are approved by the Department prior to printing/distribution.

2.21.3. Ensuring that medical providers receive training in Screening, Brief Intervention, and Referral to Treatment (SBIRT) and Motivational Interviewing in order to screen and refer individuals for substance use disorders among the patient population.

2.21.4. Sponsoring a radio show two (2) times per week on WKXL in Concord that will advertise the MAT services.

2.22. The Contractor shall assess, plan, implement, and have improvement measures for the program.

2.23. The Contractor shall ensure meaningful input of patients in program assessment, planning, implementation, and improvement including, but not limited to:

2.23.1. Documenting and assessing informal communication from patients.

2.23.2. Administering, collecting and analyzing a family satisfaction survey semi-annually.

2.24. The Contractor shall have billing capabilities which include, but are not limited to:

2.24.1. Enrolling with Medicaid and other third party payers.

2.24.2. Contracting with managed care organizations and insurance companies for MAT.

2.24.3. Having a proper understanding of the hierarchy of the billing process.

2.25. The Contractor shall assist patients with obtaining either on-site or off-site RSSs including, but not limited to:

2.25.1. Transportation.

2.25.2. Childcare.

2.25.3. Peer support groups.

2.25.4. Recovery coach.

2.26. The Contractor shall establish agreements with specialty treatment organizations that can provide higher levels of OUD treatment and co-occurring mental health treatment.

2.27. If training or other services on behalf of the Department involve the use of social media or a website which solicits information of individuals, the Contractor shall collaborate with the DHHS Communications Bureau to ensure that NH DoIT website requirements are met, and that any Protected Health Information (PHI), Substance Use Disorder treatment data (SUD), Personal Information (PI), or other confidential information solicited shall not be maintained, stored or captured and shall not be further disclosed except as expressly provided in the contract.

2.28. Unless specifically required by the contract and unless clear notice is provided to users of the website or social media, the Contractor shall ensure that site visitation is not tracked, disclosed or used for website or social media analytics or marketing.

2.29. The Contractor shall review treatment retention data on a quarterly basis, to identify why individuals may have left treatment early and determine how to improve retention in a CHOICES FOR FAMILIES team meeting to ensure performance improvement plans for services are developed for services provided through this contract.

3. Additional Scope of Services for Pregnant and Postpartum Women

3.1. The Contractor shall provide trauma-informed services and supports to pregnant and postpartum women up to twelve (12) months postpartum by ensuring counselors are trained in trauma-informed approaches including, but not limited to:

3.1.1. Impact of Adverse Childhood Experiences (ACE) and Adoption of Trauma-Informed Approaches in Integrated Settings.

3.1.2. Post-Traumatic Stress Disorder training.

3.2. The Contractor shall ensure patient-centered, effective, integrated care and attention to overdose prevention by using tools that include, but are not limited to care guidelines for Obstetric and Gynecologic (OB/GYN) providers and delivery hospitals developed by the Northern New England Perinatal Quality Improvement Network (NNEPQIN), when applicable.

3.3. The Contractor shall provide services to pregnant and postpartum women through CHOICES FOR FAMILIES, which is a multi-disciplinary partnership with Child and Family Services and Concord Hospital that utilizes evidence-based therapies and treatment when providing assistance to women with families and includes but is not limited to:

3.3.1. Evaluation for mental health and SUD needs.

3.3.2. Counseling.

3.3.3. Weekly MAT prescriptions using buprenorphine products including single-entity buprenorphine products and buprenorphine tablets or buprenorphine/naloxone films or injectable extended-release naltrexone.

3.3.4. Weekly check-ins to build trust and improve compliance.

3.3.5. Enhanced care for the mother and family using the NH Wraparound Model.

3.3.6. Home visiting.

3.3.7. Parent education with child care.

3.3.8. Flexible spending funds for items essential to recovery, which would not otherwise be covered by third party insurance or Medicaid.

3.3.9. Continuum of care SUD services including, but not limited to:

3.3.9.1. Individual and group counseling.

3.3.9.2. Intensive outpatient (IOP) treatment.

3.3.9.3. Peer support.

3.3.10. Hepatitis C (HCV) and Human Immunodeficiency Virus (HIV) prevention and diversion risk mitigation through partnership with Planned Parenthood.

3.3.11. Postpartum transfer of care to CHOICES or another appropriate MAT program.

3.3.12. Referral to higher levels of care, as needed, including residential care.

3.4. The Contractor shall ensure ongoing communication and care coordination with entities involved in the patients' care when applicable including, but not limited to:

3.4.1. Child protective services.

3.4.2. Treatment providers.

3.4.3. Home visiting services.

3.5. The Contractor shall ensure that treatment is provided in a child-friendly environment with RSS available to participants including, but not limited to:

3.5.1. Childcare in a setting that includes a two-way mirror between the parent's group room and the children's group room so parents can see their children.

3.5.2. Games and activities for the children of mothers receiving care.

3.6. The Contractor shall participate in the development of an infant Plan of Safe Care (POSC) with birth attendants, the infant's parents or guardians, and the Department for each infant affected by illicit substance use, withdrawal symptoms, or a Fetal Alcohol Spectrum Disorder in order to:

3.6.1. Ensure the safety and well-being of the infant.

3.6.2. Address the health and opioid use treatment needs of the infant and affected family members or caregivers.

3.6.3. Ensure that appropriate referrals are made.

3.6.4. Ensure that services are delivered to the infant and affected family members or caregivers.

3.7. The Contractor shall provide parenting supports to patients including, but not limited to:

3.7.1. Parenting groups, which may utilize the Positive Solutions for Families curriculum.

3.7.2. Childbirth education.

3.7.3. Safe sleep education.

3.7.4. Well child education.

3.8. The Contractor shall ensure outreach and marketing activities include, but are not limited to developing a brochure of common scenarios, specific to pregnant and parenting women, related to OUD that includes Regional Hub and contractor contact information for potential patients to be distributed to obstetrical/gynecological (OBGYN) practices.

4. Staffing

4.1. The Contractor shall provide MAT team staffing which includes, but is not limited to at least one (1):

4.1.1. Waivered prescriber.

4.1.2. Masters Licensed Alcohol and Drug Counselor (MLADC); or master licensed behavioral health provider with addiction training.

4.1.3. Care coordinator.

4.1.4. Non-clinical/administrative staff.

4.1.5. Peer Support specialist.

4.2. The Contractor shall expand staffing for the CHOICES FOR FAMILIES PROGRAM to include, but not be limited to:

4.2.1. One additional master's level clinician through CFS.

4.2.2. One half-time Enhanced Care Coordinator (ECC) through CFS.

4.2.3. Two (2) additional Certified Recovery Support Workers (CRSW).

4.3. The Contractor shall ensure that all unlicensed staff providing treatment, education, and/or RSS:

4.3.1. Are under the direct supervision of a licensed supervisor.

4.3.2. Receive confidentiality training pursuant to vendor policies and procedures in compliance of NH State administrative rule, and state and federal laws.

4.4. The Contractor shall ensure that no licensed supervisor supervises more than twelve (12) unlicensed staff, unless the Department has approved an alternative supervision plan.

4.5. The Contractor shall ensure that unlicensed staff providing clinical or RSS hold a CRSW within twelve (12) months of hire or from the effective date of this contract, whichever is later.

5. Training

5.1. The Contractor shall ensure the availability of initial and on-going training resources to all staff to include buprenorphine waiver training for interested physicians, nurse practitioners, and physician assistants.

5.2. The Contractor shall develop a plan, for Department approval, to train and engage appropriate staff regarding buprenorphine waiver training which includes, but is not limited to:

5.2.1. Myers & Stauffer Learning Community (MSLC).

5.2.2. Peer Recovery Coach Academy Training.

5.2.3. NH Wraparound Model training through the UNH Institute on Disability.

5.3. The Contractor shall participate in training and technical assistant activities as directed by the Department including, but not limited to the Community of Practice for MAT which may include, but is not limited to:

5.3.1. Project-specific trainings, including trainings on coordinating client referrals for collection of data through the Government Performance and Results Modernization Act of 2010 (GPRA).

5.3.2. Quarterly web-based discussions.

5.3.3. On-site technical assistance visits.

5.3.4. Ad hoc communication with expert consultants regarding MAT clinical care topics including, but not limited to:

5.3.4.1. HCV and HIV prevention.

5.3.4.2. Diversion risk mitigation.

5.3.4.3. Other relevant issues.

5.4. The Contractor shall train staff as appropriate on relevant topics including, but not limited to:

5.4.1. MAT (e.g. prescriber training for buprenorphine).

5.4.2. Care coordination.

5.4.3. Trauma-informed wrap around care/RSS delivery best practices.

5.4.4. Evidence-Based Practices (EBPs) such as Screening, Brief Intervention, and Referral to Treatment (SBIRT), Cognitive Behavioral Therapy (CBT), and other training needs.

5.4.5. Safeguarding protected health information (PHI), substance use disorder treatment information (SUD) and any individually identifiable patient information.

6. Reporting and Deliverable Requirements

6.1. The Contractor shall ensure their MAT Nurse Care Coordinators coordinate the sharing of client data and service needs with the Hub(s) to ensure that each patient served has a GPRA interview completed at intake, three (3) months, six (6) months, and discharge.

6.2. The Contractor shall gather and submit de-identified, aggregate patient data to the Department quarterly using a Department-approved method. The data collected will include, but not be limited to:

6.2.1. Diagnoses.

6.2.2. Demographic characteristics.

6.2.3. Substance use.

6.2.4. Services received.

6.2.5. Types of MAT received.

6.2.6. Length of stay in treatment.

6.2.7. Employment status.

6.2.8. Criminal justice involvement.

6.2.9. Housing.

6.3. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA.

6.4. The Contractor shall provide a final report with de-identified, aggregate data to the Department within thirty (30) days of the termination of the contract regarding work plan progress including, but not limited to:

6.4.1. Policies and practices established.

6.4.2. Outreach activities.

6.4.3. Demographics (gender, age, race, and ethnicity) of population served.

6.4.4. Outcome data (as directed by the Department).

6.4.5. Patient satisfaction findings.

6.4.6. Description of challenges encountered and action taken.

6.4.7. Other progress to date.

6.4.8. A sustainability plan to continue to provide MAT services to the target population(s) beyond the completion date of the contract, subject to approval by the Department.

6.5. The Contractor shall review treatment retention data, identify why individuals may have left treatment early, and determine ways to improve retention in a CHOICES FOR FAMILIES team meeting, at a minimum quarterly, to ensure performance improvement plans for services provided under this contract.

6.6. The Contractor shall develop patient consent forms for information sharing between CHOICES FOR FAMILIES and the local Hub, within thirty (30) days of contract approval.

6.7. The Contractor shall assign tracking of signed consents to a Clinical Coordinator upon the contract effective date.

6.8. The Contractor shall develop electronic methods of information sharing within ninety (90) days of contract approval.

7. Performance Measures

7.1. The Contractor shall ensure that 50% of individuals with OUD referred to the Contractor for MAT services receive at least three (3) clinically-appropriate, MAT-related services.

7.2. The Contractor shall ensure that 100% of clients seeking services under this proposed contract that enter care directly through the Contractor who consent to information sharing with the Hub(s) receive a Hub referral for ongoing care coordination

7.3. The Contractor shall ensure that 100% of patients referred to them by Hub(s) have proper consents in place for transfer of information for the purposes of data collection between the Hub(s) and the Contractor.

1. General

1.1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

1.3. This contract is funded with funds from the US Department of Health and Human Services, Substance Abuse and Mental Health Administration, Catalog of Federal Domestic Assistance (CFDA #) 93.788.

1.4. The Contractor shall keep detailed records of their activities related to Department-funded programs and services.

1.5. Payment for said services shall be made monthly as follows:

1.5.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.

1.5.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate payment.

1.5.3. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

1.5.4. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

1.5.5. In lieu of hard copies, all invoices shall be assigned an electronic signature and emailed to Abby.Shockley@dhhs.nh.gov.

1.5.6. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

1.6. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining further approval from the Governor and Executive Council.

1.7. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

2. State Opioid Response (SOR) Grant Standards

2.1. In order to receive payments for services provided through SOR grant funded initiatives, the Contractor shall establish formal information sharing and referral agreements with all Hubs that comply with all applicable confidentiality laws, including 42 CFR Part 2.

2.2. The Contractor shall complete patient referrals to applicable Hubs for substance use disorder services within two (2) business days of a client's admission to the program.

2.3. The Contractor shall not receive payment for any invoices for services provided through SOR grant funded initiatives until the Department verifies that the Contractor has completed all required patient referrals; verification of patient referrals shall be completed through the New Hampshire Web Information Technology System (WITS) and through audits of Contractor invoices.

2.4. The Contractor shall ensure that only FDA-approved MAT for OUD is utilized. FDA-approved MAT for OUD includes:

2.4.1. Methadone.

2.4.2. Buprenorphine products, including:

2.4.2.1. Single-entity buprenorphine products.

2.4.2.2. Buprenorphine/naloxone tablets,

2.4.2.3. Buprenorphine/naloxone films.

2.4.2.4. Buprenorphine/naloxone buccal preparations.

2.4.2.5. Long-acting injectable buprenorphine products.

2.4.2.6. Buprenorphine implants.

2.4.2.7. Injectable extended-release naltrexone.

2.5. The Contractor shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

2.6. The Contractor shall provide the Department with timelines and implementation plans associated with SOR funded activities to ensure services are in place within thirty (30) days of the contract effective date.

2.6.1. If the Contractor is unable to offer services within the required timeframe, the Contractor shall submit an updated implementation plan to the Department for approval to outline anticipated service start dates.

2.6.2. The Department reserves the right to terminate the contract and liquidate unspent funds if services are not in place within ninety (90) days of the contract effective date.

2.7. The Contractor shall ensure that patients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

2.8. The Contractor shall assist patients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

2.9. The Contractor shall accept patients for MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

2.10. The Contractor shall coordinate with the NH Ryan White HIV/AIDs program for patients identified as at risk of or with HIV/AIDS.

2.11. The Contractor shall ensure that all patients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

New Hampshire Department of Health and Human Services

Contractor name: Riverbend Community Mental Health, Inc.

Budget Request for: RFP-2019-BDAS-05-MEDIC

Budget Period: SFY 19 (Upon G&C approval - 6/30/2019)

Line Item	Total Program Cost: Direct	Total Program Cost: Indirect	Total Program Cost: Total	Contractor Share / Match: Direct	Contractor Share / Match: Indirect	Contractor Share / Match: Total	Funded by DHHS contract share: Direct	Funded by DHHS contract share: Indirect	Funded by DHHS contract share: Total
1. Total Salary/Wages	$ 53,000.00	$ -	$ 53,000.00	$ -	$ -	$ -	$ 53,000.00	$ -	$ 53,000.00
2. Employee Benefits	$ 16,914.00	$ -	$ 16,914.00	$ -	$ -	$ -	$ 16,914.00	$ -	$ 16,914.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ 800.00	$ -	$ 800.00	$ -	$ -	$ -	$ 800.00	$ -	$ 800.00
12. Subcontracts/Agreements	$ 25,000.00	$ -	$ 25,000.00	$ -	$ -	$ -	$ 25,000.00	$ -	$ 25,000.00
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uninsured Expenses	$ 40,000.00	$ -	$ 40,000.00	$ -	$ -	$ -	$ 40,000.00	$ -	$ 40,000.00
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 135,714.00	$ -	$ 135,714.00	$ -	$ -	$ -	$ 135,714.00	$ -	$ 135,714.00

Indirect As A Percent of Direct: 0.0%

Contractor Initials: PE

Date: 11/6/18

New Hampshire Department of Health and Human Services

Contractor name: Riverbend Community Mental Health, Inc.

Budget Request for: RFP-2019-BDAS-05-MEDIC

Budget Period: SFY20 (7/1/19-6/30/20)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 53,000.00	$ -	$ 53,000.00	$ -	$ -	$ -	$ 53,000.00	$ -	$ 53,000.00
2. Employee Benefits	$ 16,914.00	$ -	$ 16,914.00	$ -	$ -	$ -	$ 16,914.00	$ -	$ 16,914.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ 800.00	$ -	$ 800.00	$ -	$ -	$ -	$ 800.00	$ -	$ 800.00
12. Subcontracts/Agreements	$ 25,000.00	$ -	$ 25,000.00	$ -	$ -	$ -	$ 25,000.00	$ -	$ 25,000.00
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uninsured Expenses	$ 40,000.00	$ -	$ 40,000.00	$ -	$ -	$ -	$ 40,000.00	$ -	$ 40,000.00
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 135,714.00	$ -	$ 135,714.00	$ -	$ -	$ -	$ 135,714.00	$ -	$ 135,714.00
Indirect As A Percent of Direct		0.0%							

Contractor Initials: PE

Date: 11/6/18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

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

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

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

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

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

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

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

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

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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

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

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current 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

Contractor Initials PE
Date 11/6/18

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.

20. **Contract Definitions:**

20.1. 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.

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

20.3. 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 and/or goods to be provided 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.

20.4. 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.

20.5. 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 time to time.

20.6. SUPPLANTING OTHER FEDERAL FUNDS: Funds provided to the Contractor under this Contract will not supplant any existing federal funds available for these services.

REVISIONS TO GENERAL PROVISIONS

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

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

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

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

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

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

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

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

3. Renewal:
   The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

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

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

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

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

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

Vendor Name: Riverbend Community Mental Health Inc.

11/6/18
Date

Name:
Title:

CERTIFICATION REGARDING LOBBYING

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

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

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

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

Vendor Name: Riverbend Community Mental Health Inc

11/6/18
Date

Name:
Title:

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

Vendor Initials CE
Date 11/1/18

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

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

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

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

Vendor Name: Riverbend Community Mental Health Inc.

11/6/18
Date

Name:
Title:

Vendor Initials PE
Date 11/6/18

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

The Vendor 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:

Vendor 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.

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 Vendor 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 Vendor agrees to comply with the provisions indicated above.

Vendor Name: Riverbend Community Mental Health Inc.

11/6/18
Date

Name:
Title:

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Vendor Name: Riverbend Community Mental Health Inc

11/6/18
Date

Name:
Title:

HEALTH INSURANCE PORTABLITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Vendor 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 Vendor and subcontractors and agents of the Vendor 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, TitleXIII, 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.

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

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:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- 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

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

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.

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	Riverbend Community Mental Health, Inc.
The State	Name of the Vendor
Signature of Authorized Representative	Signature of Authorized Representative
Katja S. Fox	Peter Evers
Name of Authorized Representative	Name of Authorized Representative
Director	CEO
Title of Authorized Representative	Title of Authorized Representative
11/15/18	11/6/18
Date	Date

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

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Vendor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Vendor Name: Riverbend Community Mental Health Inc.

11/6/18
Date

Name:
Title:

FORM A

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

1. The DUNS number for your entity is: 081288915

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

   X NO _____ YES

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

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

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

   _____ NO _____ YES

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

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

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

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, " Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "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.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS 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 Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.

5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.

6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.

10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.

13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

16. The Contractor must ensure that all End Users:

    a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.

    b. safeguard this information at all times.

    c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

    d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

e. limit disclosure of the Confidential Information to the extent permitted by law.

f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).

g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.

h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.

i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

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 RIVERBEND COMMUNITY MENTAL HEALTH, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on March 25, 1966. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **62509**
Certificate Number : **0004081412**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 13th day of April A.D. 2018.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Andrea D. Beaudoin, do hereby certify that:

1. I am a duly elected Assistant Board Secretary of Riverbend Community Mental Health, Inc.

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on February 22, 2018:

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 10th day of November, 2018.
(Date Contract Signed)

4. Peter Evers is the duly elected President of the Corporation
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Andrea D Beaudoin
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Merrimack

The forgoing instrument was acknowledged before me this 6th day of November, 2018,

By Andrea Beaudoin.
(Name of Elected Officer of the Agency)

Kelly D. Moore
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

KELLY D. MOORE, Justice of the Peace
State of New Hampshire
My Commission Expires December 20, 2022

Commission Expires:

Client#: 1364844 RIVERCOM12

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/02/2018

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 have ADDITIONAL INSURED provisions or 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 any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Insurance Services LLC 3 Executive Park Drive, Suite 300 Bedford, NH 03110 855 874-0123	CONTACT NAME: PHONE (A/C, No, Ext): 855 874-0123 FAX (A/C, No): E-MAIL ADDRESS:
INSURED Riverbend Community Mental Health Inc. 3 North State Street Concord, NH 03302	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Philadelphia Indemnity Insurance Co. — 18058 INSURER B : INSURER C : 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	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR X BI & PD Ded:$10K GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT X LOC OTHER:			PHPK1887047	10/01/2018	10/01/2019	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$1,000,000 $500,000 $5,000 $1,000,000 $3,000,000 $3,000,000 $
A	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY SCHEDULED AUTOS X HIRED AUTOS ONLY X NON-OWNED AUTOS ONLY			PHPK1887039	10/01/2018	10/01/2019	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$1,000,000 $ $ $ $
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ $10K			PHUB649000	10/01/2018	10/01/2019	EACH OCCURRENCE AGGREGATE $	$10,000,000 $10,000,000 $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
A	Professional Liability			PHPK1887047	10/01/2018	10/01/2019	$1,000,000 Ea. Incident $3,000,000 Aggregate	

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

CERTIFICATE HOLDER

NH DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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

SLMZP

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RIVECOM-01 MSNELL

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/06/2018

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 have ADDITIONAL INSURED provisions or 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 Davis & Towle Morrill & Everett, Inc. 115 Airport Road Concord, NH 03301	CONTACT NAME: Mary Ellen Snell, CIC PHONE (A/C, No, Ext): (603) 715-9754 FAX (A/C, No): (603) 225-7935 E-MAIL ADDRESS: msnell@davistowle.com
INSURED Riverbend Community Mental Health Inc c/o Angela Greene PO Box 2032 Concord, NH 03302	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : A.I.M Mutual Insurance Comapny INSURER B : INSURER C : 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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [N]	N/A		ECC60040001272018A	10/01/2018	10/01/2019	X PER STATUTE ☐ OTH-ER	
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

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

CERTIFICATE HOLDER

State of NH - Dept of Health & Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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

Mary Ellen Snell

Riverbend Community Mental Health, Inc.

Mission

We care for the mental health of our community.

Vision

- *We provide responsive, accessible, and effective mental health services.*
- *We seek to sustain mental health and promote wellness.*
- *We work as partners with consumers and families.*
- *We view recovery and resiliency as an on-going process in which choice, education, advocacy, and hope are key elements.*
- *We are fiscally prudent and work to ensure that necessary resources are available to support our work, now and in the future.*

Values

- *We value diversity and see it as essential to our success.*
- *We value staff and their outstanding commitment and compassion for those we serve.*
- *We value quality and strive to continuously improve our services by incorporating feedback from consumers, families and community stakeholders.*
- *We value community partnerships as a way to increase connections and resources that help consumers and families achieve their goals.*

Revised 8-23-07

Riverbend Community Mental Health, Inc.

FINANCIAL STATEMENTS

June 30, 2018

Riverbend Community Mental Health, Inc.
TABLE OF CONTENTS
June 30, 2018

KBS
Kittell Branagan & Sargent
Certified Public Accountants
Vermont License # 167

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Riverbend Community Mental Health, Inc.
Concord, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of Riverbend Community Mental Health, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2018 and 2017, and the related statements of operations and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverbend Community Mental Health, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 15 through 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kittell, Branagan + Sargent

St. Albans, Vermont
September 5, 2018

Riverbend Community Mental Health, Inc.
STATEMENTS OF FINANCIAL POSITION
June 30,

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	$ 2,926,405	$ 2,462,609
Client service fees receivable, net	1,221,980	1,071,565
Other receivables	501,028	656,002
Investments	7,580,964	7,433,862
Prepaid expenses	89,261	126,744
Tenant security deposits	23,836	23,763
TOTAL CURRENT ASSETS	12,343,474	11,774,545
PROPERTY & EQUIPMENT, NET	10,441,620	10,517,897
OTHER ASSETS		
Interest rate swap	50,135	-
Investment in Behavioral Information Systems	101,340	100,893
TOTAL OTHER ASSETS	151,475	100,893
TOTAL ASSETS	$ 22,936,569	$ 22,393,335

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 281,650	$ 86,550
Accrued expenses	566,806	564,121
Tenant security deposits	23,961	23,763
Accrued compensated absences	723,251	660,849
Current portion of long-term debt	214,060	215,980
Deferred revenue	68,170	62,358
TOTAL CURRENT LIABILITIES	1,877,898	1,613,621
LONG-TERM LIABILITIES		
Long-term debt, less current portion	6,566,212	6,780,273
Unamortized debt issuance costs	(274,759)	(373,480)
Long-term debt, net of unamortized debt issuance costs	6,291,453	6,406,793
Interest rate swap liability	-	126,638
TOTAL LONG-TERM LIABILITIES	6,291,453	6,533,431
NET ASSETS		
Unrestricted	11,416,536	10,802,587
Temporarily restricted	3,350,682	3,443,696
TOTAL NET ASSETS	14,767,218	14,246,283
TOTAL LIABILITIES AND NET ASSETS	$ 22,936,569	$ 22,393,335

See Accompanying Notes to Financial Statements.

Riverbend Community Mental Health, Inc.
STATEMENTS OF OPERATIONS
For the Years Ended June 30,

	2018			
	Unrestricted	Temporarily Restricted	All Funds	2017
PUBLIC SUPPORT AND REVENUES				
Public support -				
Federal	$ 609,347	$ -	$ 609,347	$ 1,440,068
State of New Hampshire – BBH	1,593,326	5,350	1,598,676	1,831,155
In-kind donations	170,784	-	170,784	170,784
Contributions	104,724	-	104,724	89,107
Other	789,533	-	789,533	711,444
Total Public Support	3,267,714	5,350	3,273,064	4,242,558
Revenues -				
Client service fees, net of provision for bad debts	20,872,012	-	20,872,012	19,421,000
Other	4,778,125	-	4,778,125	3,629,825
Net assets released from restrictions	182,224	(182,224)	-	-
Total Revenues	25,832,361	(182,224)	25,650,137	23,050,825
TOTAL PUBLIC SUPPORT AND REVENUES	29,100,075	(176,874)	28,923,201	27,293,383
PROGRAM AND ADMINISTRATIVE EXPENSES				
Children and adolescents	5,361,920	-	5,361,920	4,947,705
Emergency services	1,036,643	-	1,036,643	1,117,305
ACT Team	1,562,392	-	1,562,392	1,366,877
Outpatient - Concord	4,369,800	-	4,369,800	4,248,373
Outpatient - Franklin	2,021,989	-	2,021,989	1,876,229
Multi-Service Team - Community Support Program	5,610,044	-	5,610,044	5,321,409
Mobile Crisis Team	2,224,997	-	2,224,997	1,821,258
Community Residence - Twitchell	954,765	-	954,765	912,165
Community Residence - Fellowship	586,760	-	586,760	554,297
Restorative Partial Hospital	601,282	-	601,282	564,378
Supportive Living - Community	1,363,857	-	1,363,857	1,296,510
Other Non-BBH	3,073,506	-	3,073,506	2,024,109
Administrative	(51,885)	-	(51,885)	197,289
TOTAL PROGRAM & ADMINISTRATIVE EXPENSES	28,716,070	-	28,716,070	26,247,904
EXCESS/(DEFICIENCY) OF PUBLIC SUPPORT AND REVENUE OVER EXPENSES FROM OPERATIONS	384,005	(176,874)	207,131	1,045,479
OTHER INCOME (EXPENSE)				
Loss on Extinguishment of Debt	(138,302)	-	(138,302)	-
Investment Income	191,473	83,860	275,333	717,889
TOTAL OTHER INCOME	53,171	83,860	137,031	717,889
TOTAL INCREASE (DECREASE) IN NET ASSETS	437,176	(93,014)	344,162	1,763,368
NET ASSETS, BEGINNING OF YEAR	10,802,587	3,443,696	14,246,283	12,401,770
Change in fair value of interest rate swap	176,773	-	176,773	81,145
NET ASSETS, END OF YEAR	$ 11,416,536	$ 3,350,682	$ 14,767,218	$ 14,246,283

See Accompanying Notes to Financial Statements.

Riverbend Community Mental Health, Inc.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 344,162	$ 1,763,368
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	878,768	844,950
Unrealized (gain) loss on investments	(100,619)	413,665
Loss on extinguishment of debt	138,302	
Changes in:		
Client service fee receivables	(150,415)	623,714
Other receivables	154,974	(268,781)
Prepaid expenses	37,483	(32,616)
Tenant security deposits	125	-
Restricted cash - Rural Development Fund	-	21,396
Accounts payable and accrued expenses	260,187	156,891
Deferred revenue	5,812	(79,020)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,568,779	3,443,567
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(811,994)	(524,069)
Investment activity, net	(46,930)	(1,128,579)
NET CASH (USED) IN INVESTING ACTIVITIES	(858,924)	(1,652,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt issuance cost	(30,078)	-
Principal payments on long-term debt	(215,981)	(346,495)
NET CASH (USED) BY FINANCING ACTIVITIES	(246,059)	(346,495)
NET INCREASE IN CASH	463,796	1,444,424
CASH AT BEGINNING OF YEAR	2,462,609	1,018,185
CASH AT END OF YEAR	$ 2,926,405	$ 2,462,609
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	$ 286,387	$ 303,095

See Accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Riverbend Community Mental Health, Inc. (Riverbend) is a nonprofit corporation, organized under New Hampshire law to provide services in the areas of mental health, and related non-mental health programs. The organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(2). It operates in the Merrimack and Hillsborough counties of New Hampshire.

Income Taxes

Riverbend Community Mental Health, Inc., is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, it is exempt from income taxes on its exempt function income.

Consideration has been given to uncertain tax positions. The federal income tax returns for the years ended after June 30, 2015, remain open for potential examination by major tax jurisdictions, generally for three years after they were filed.

Related Organizations

Riverbend is an affiliate of Capital Region Health Care (CRHC). CRHC is a comprehensive healthcare service system consisting of one hospital, one visiting nurse association, real estate holding companies and a variety of physician service companies. The affiliation exists for the purpose of integrating and improving the delivery of healthcare services to the residents of the central New Hampshire area.

Penacook Assisted Living Facility (PALF) is managed by Riverbend. PALF is a 501(c)(3) organization and operates the "John H. Whitaker Place" assisted care community located in Penacook, New Hampshire.

Property

Property is recorded at cost or, if donated, at fair market value at the date of donation. Depreciation is provided using both straight-line and accelerated methods, over the estimated useful lives of the assets.

Depreciation

The cost of property, equipment and leasehold improvements is depreciated over the estimated useful life of the assets using the straight-line method. Estimated useful lives range from 3 to 40 years.

Grants

Riverbend receives a number of grants from and has entered into various contracts with the State of New Hampshire and the federal government related to the delivery of mental health services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Temporarily Restricted Funds
Specific purpose funds are used to differentiate resources, the use of which is restricted by donors, from resources of general funds on which the donors place no restriction or that arise as a result of the operations of Riverbend for its stated purposes. Specific purpose contributions and other donor-restricted resources are recorded as additions to temporarily restricted net assets at the time they are received and as expenses when expended for the specific purpose for which they were given.

In 2002, Riverbend developed an endowment fund to support current programs and to expand community mental health services in the future. These funds were raised through a capital campaign "Helping People Help Themselves".

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Vacation Pay and Fringe Benefits
Vacation pay is accrued and charged to the programs when earned by the employee. Fringe benefits are allocated to the appropriate program expense based on the percentage of actual time spent on the programs.

In-Kind Donations
Various public and private entities have donated facilities for Riverbend's operational use. The estimated fair value of such donated services is recorded as offsetting revenues and expenses in the accompanying statement of revenue support and expenses of general funds.

Revenue
Grant revenue received by Riverbend is deferred until the related services are provided.

Accounts Receivable
Accounts receivable are recorded based on the amount billed for services provided, net of respective allowances.

Policy for Evaluating Collectability of Accounts Receivable
In evaluating the collectability of accounts receivable, Riverbend analyzes past results and identifies trends for each major payor source of revenue for the purpose of estimating the appropriate amounts of the allowance for doubtful accounts. Data in each major payor source is regularly reviewed to evaluate the adequacy of the allowance for doubtful accounts. Specifically, for receivables relating to services provided to clients having third-party coverage, an allowance for doubtful accounts and a corresponding provision for bad debts are established for amounts outstanding for an extended period of time and for third-party payors experiencing financial difficulties; for receivables relating to self-pay clients, a provision for bad debts is made in the period services are rendered based on experience indicating the inability or unwillingness of clients to pay amounts for which they are financially responsible.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Based on management's assessment, Riverbend provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after Riverbend has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Riverbend has recorded an estimate in the allowance for doubtful accounts of $1,383,510 and $1,251,893 as of June 30, 2018 and 2017, respectively. The allowance for doubtful accounts represents 53% and 54% of total accounts receivable as of June 30, 2018 and 2017, respectively.

Client Service Revenue

Riverbend recognizes client service revenue relating to services rendered to clients that have third-party payor coverage and are self-pay. Riverbend receives reimbursement from Medicare, Medicaid and Insurance Companies at defined rates for services to clients covered by such third-party payor programs. The difference between the established billing rates and the actual rate of reimbursement is recorded as allowances when received. For services rendered to uninsured clients (i.e., self-pay clients), revenue is recognized on the basis of standard or negotiated discounted rates. At the time services are rendered to self-pay clients, a provision for bad debts is recorded based on experience and the effects of newly identified circumstances and trends in pay rates. Client service revenue (net of contractual allowances and provision for bad debts) recognized during the year ended June 30, 2018 totaled $20,872,012, of which $20,409,790 was revenue from third-party payors and $462,222 was revenue from self-pay clients.

Riverbend has agreements with third-party payors that provide payments to Riverbend at established rates. These payments include:

New Hampshire Medicaid

Riverbend is reimbursed for services rendered to Medicaid clients on the basis of fixed Fee for Service rates.

Cenpatico

This a managed care organization that reimburses Riverbend Medicaid funds for services rendered on a fee for service and capitated structure.

Beacon Wellness

This a managed care organization that reimburses Riverbend Medicaid funds for services rendered on a fee for service and capitated structure.

State of New Hampshire

Riverbend is reimbursed for certain expenses through support from the State of New Hampshire general funds accounts. Assertive Continuous Treatment Teams (ACT) for both adults and children, Mobile Crisis Teams, Refugee Interpreter Services are such accounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concord Hospital
Riverbend is reimbursed for certain projects through support from the Concord Hospital for behavioral health services rendered in the emergency room inpatient psychiatric unit and for general administrative services are all reimbursed on a contractual basis.

Approximately 83% of net client service revenue is from participation in the state-sponsored Medicaid programs for the year ended June 30, 2018. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is possible that recorded estimates could change materially in the near term.

Interest Rate Swap Agreements
Riverbend has adopted professional accounting standards which require that derivative instruments be recorded at fair value and included in the statement of financial position as assets or liabilities. Riverbend uses interest rate swaps to manage risks related to interest rate movements. Interest rate swap contracts are reported at fair value. Riverbend's interest rate risk management strategy is to stabilize cash flow requirements by maintaining contracts to convert variable rate debt to a fixed rate.

Advertising
Advertising costs are expensed as incurred. Total costs were $103,965 and $89,117 at June 30, 2018 and 2017, respectively.

NOTE 2 CASH

At June 30, 2018 and 2017, the carrying amount of cash deposits was $2,950,405 and $2,486,372 and the bank balance was $3,017,642 and $2,602,200. Of the bank balance, $1,050,649 and $1,051,231 was covered by federal deposit insurance under written agreement between the bank and Riverbend, $-0- and $1,547,196 was covered by an irrevocable letter of credit with TD Bank, N.A., $1,966,994 and $-0- was offset by debt, and the remaining $-0- and $3,773 is uninsured.

NOTE 3 ACCOUNTS RECEIVABLE

	2018	2017
ACCOUNTS RECEIVABLE - TRADE		
Due from clients	$ 937,441	$ 828,085
Receivable from insurance companies	387,198	452,458
Medicaid receivable	1,089,321	871,840
Medicare receivable	191,871	171,355
Housing fees	(341)	(280)
	2,605,490	2,323,458
Allowance for doubtful accounts	(1,383,510)	(1,251,893)
	$1,221,980	$1,071,565

NOTE 3 ACCOUNTS RECEIVABLE (continued)

	2018	2017
ACCOUNTS RECEIVABLE - OTHER		
Merrimack County Drug Court	$ 146,425	$ -
Concord Hospital	131,690	83,997
Federal Grant	99,216	224,981
Behavioral Information System - BIS	40,131	44,782
Beacon Health Options - MCO	32,836	-
Due from Penacook Assisted Living Facility	13,761	14,160
Other	36,969	288,082
	$ 501,028	$ 656,002

NOTE 4 INVESTMENTS

Riverbend has invested funds in various pooled funds with Harvest Capital Management. The approximate breakdown of these investments are as follows at June 30,:

2018	Cost	Unrealized Gain (Loss)	Market Value
Cash & Money Market	$ 297,168	$ -	$ 297,168
U.S. Treasuries	49,426	496	49,922
Corporate Bonds	885,154	(25,303)	859,851
Exchange Traded Funds	3,874,998	329,768	4,204,766
Equities	111,042	(7,096)	103,946
Mutual Funds	2,083,238	(17,927)	2,065,311
	$7,301,026	$ 279,938	$7,580,964

2017	Cost	Unrealized Gain (Loss)	Market Value
Cash & Money Market	$ 125,743	$ -	$ 125,743
U.S. Treasuries	49,600	605	50,205
Corporate Bonds	695,355	(8,639)	686,716
Exchange Traded Funds	4,129,848	343,103	4,472,951
Equities	106,543	(2,557)	103,986
Mutual Funds	1,918,999	75,262	1,994,261
	$7,026,088	$ 407,774	$7,433,862

NOTE 4 INVESTMENTS (continued)

Investment income (losses) consisted of the following at June 30,:

	2018	2017
Interest and dividends	$ 195,629	$ 211,788
Realized gains (losses)	221,703	117,466
Unrealized gains (losses)	(100,619)	413,665
Fee expenses	(41,827)	(39,404)
Returns from BIS	447	14,374
TOTAL	$ 275,333	$ 717,889

NOTE 5 FAIR VALUE MEASUREMENTS

Professional accounting standards established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1- Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2- Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3- Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

All investments are categorized as Level 1 and recorded at fair value, as of June 30, 2018. As required by professional accounting standards, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment, at cost:

	2018	2017
Land	$ 953,387	$ 953,387
Buildings	14,886,509	14,843,708
Leasehold Improvements	410,706	351,960
Furniture and Fixtures	3,585,143	3,426,328
Equipment	1,686,694	1,423,269
Software licenses	162,848	162,848
CIP	252,598	-
	21,937,885	21,161,500
Accumulated Depreciation	(11,496,265)	(10,643,603)
NET BOOK VALUE	$ 10,441,620	$ 10,517,897

NOTE 7 OTHER INVESTMENTS

Behavioral Information System

Riverbend entered into a joint venture with another New Hampshire Community Mental Health Center. Under the terms of the joint venture, Riverbend invested $52,350 for a 50% interest in Behavioral Information Systems (BIS).

The investment is being accounted for under the equity method. Accordingly, 50% of the BIS operating income for the year has been reflected on the books of Riverbend.

During the years June 30, 2018 and 2017, Riverbend paid BIS $40,239 and $43,135, respectively, for software support and services.

BIS owed Riverbend $40,131 and $44,782 at June 30, 2018 and 2017, respectively.

NOTE 8 LONG-TERM DEBT

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

	2018	2017
Mortgage payable, $105,350 note dated 2/17/00, secured by Kendall St. property. Interest at 0.0%, annual principal payments of $5,268 are fully forgiven. The obligation does not have to be repaid if the Agency meets certain requirements regarding use of the property.	$ 5,706	$ 10,974
Mortgage payable, $175,842 note dated 1/30/03, secured by Pleasant St. property. Interest at 0.0%, annual principal payments of $8,792 are fully forgiven. The obligation does not have to be repaid if the Agency meets certain requirements regarding use of the property.	39,566	48,357
Bond payable, TD Banknorth dated February 2003, interest at a fixed rate of 3.06% with annual debt service payments of varying amounts ranging from $55,000 in July 2004 to $375,000 in July 2034. Matures July 2034. The bond is subject to various financial covenant calculations.	3,340,000	3,475,000
Note payable, New Hampshire Health and Education Facilities Authority, $100,000 note dated January 2013. Monthly payments of principal and interest of $1,709 at 1% interest. Matured January 2018.	-	11,922
Bond payable, NHHEFA dated September 2017, interest at a fixed rate of 2.76% through a swap agreement expiring 9/1/2028 annual debt service payments of varying amounts ranging from $55,000 in July 2017 to $475,000 in July 2038. Matures July 2038. The bond is subject to various financial covenant calculations.	3,395,000	-

NOTE 8 LONG-TERM DEBT (continued)

	2018	2017
Bond payable, NHHEFA dated July 2008, interest at a fixed rate of 3.435% through a swap agreement expiring 7/1/2018, annual debt service payments of varying amounts ranging from $45,000 in July 2012 to $475,000 in July 2038. Matures July 2038. The bond was refinanced September 2017.	-	3,450,000
	6,780,272	6,996,253
Less: Current Portion	(214,060)	(215,980)
Long-term Debt	6,566,212	6,780,273
Less: Unamortized debt issuance costs	(274,759)	(373,480)
	$6,291,453	$6,406,793

The aggregate principal payments of the long-term debt for the next five years and thereafter are as follows:

Year Ending June 30,	Amount
2019	$ 214,060
2020	219,230
2021	228,792
2022	238,792
2023	244,397
Thereafter	5,635,001
	$ 6,780,272

Riverbend has an irrevocable direct pay letter of credit which is associated with the 2008 bond. The letter of credit is for the favor of the Trustee of the bond for the benefit of the bond holders under the bond indenture dated September 1, 2017. The letter is for $3,395,000 and expires September 1, 2028.

NOTE 9 DEFERRED INCOME

	2018	2017
Concord Hospital/Dartmouth Hitchcock	$ 68,170	$ 62,358

NOTE 10 LINE OF CREDIT

As of June 30, 2018, Riverbend had available a line of credit with an upper limit of $1,500,000. At that date no borrowings were outstanding against the line of credit. These funds are available with an interest rate of TD Bank, N.A. base rate plus .25%, adjusted daily. This line of credit is secured by all accounts receivable of the company and is due on demand. The next review date will be February 28, 2019 and the decision to review the line of credit will be at the sole discretion of the lender.

NOTE 11 RELATED PARTY

Penacook Assisted Living Facility, Inc., an affiliate, owed Riverbend at year end.

The balance is comprised of the following at June 30,:

	2018	2017
Ongoing management and administrative services, recorded in other accounts receivable	$ 13,761	$ 12,368

Riverbend collected $82,855 and $86,729 for property management services and $78,109 and $63,463 for contracted housekeeping services from the affiliate during the years ended June 30, 2018 and 2017, respectively.

NOTE 12 EMPLOYEE BENEFIT PLAN

Riverbend makes contributions to a 403(b) plan on behalf of its employees. This program covers substantially all full-time employees. During the years ended June 30, 2018 and 2017, such contributions were $297,889 and $236,762, respectively.

NOTE 13 OPERATING LEASES

Riverbend leases operating facilities from various places. The future minimum lease payments are as follows:

Year Ending June 30,	Amount
2019	$ 119,606
2020	121,226
2021	122,896
2022	124,616
2023	91,610
	$ 579,954

Total rent expense for the years ended June 30, 2018 and 2017 was $76,440 and $30,371, respectively.

NOTE 14 SUBSEQUENT EVENTS

In accordance with professional accounting standards, Riverbend has evaluated subsequent events through September 5, 2018, which is the date the financial statements were available to be issued. Events requiring recognition as of June 30, 2018, have been incorporated into the financial statements herein.

SUPPLEMENTARY INFORMATION

Riverbend Community Mental Health Inc.
SCHEDULE OF FUNCTIONAL REVENUES
For the Year Ended June 30, 2018, with
Comparative Totals for 2017

	2018 Total	Total Admin.	Total Programs	Children & Adolescents	Emergency Services/ Assessment	Restorative Partial Hospital	Choices, RCA, Inpatient, Autism, Drug Court (Non-Eligibles)	ACT Team	Multi-Service Team	Mobile Crisis Team	Comm. Res. Twitchell	Comm. Res. Fellowship	Comm. Supp. Living	Supp. Living Fellowship	RCMH Mgmt. Services (Non-BBH)	Child Impact Program (Non-BBH)	In-Shape (Non-BBH)	Integrated Care (Federal)	Section 1115 Waiver (Non-BBH)	2017
PROGRAM SERVICE FEES																				
Net Client Fees	$ 462,222	$ -	$ 462,222	$ 109,461	$ 18,995	$ 3,220	$ 173,779	$ 29,209	$ 59,068	$ 40,218	$ 16,717	$ (14,128)	$ 20,451	$ -	$ -	$ -	$ 5,017	$ 215	$ -	$ 462,795
HMO's	838,136	-	838,136	269,208	55,738	100	358,662	15,811	103,975	34,644	-	-	-	-	-	-	-	-	-	1,022,907
Blue Cross/Blue Shield	453,928	-	453,928	118,365	27,180	(538)	229,432	4,823	53,163	21,503	-	-	-	-	-	-	-	-	-	365,588
Medicaid	17,378,074	657,161	16,720,913	3,922,555	177,468	371,537	769,011	800,287	9,107,853	233,808	382,808	135,936	808,612	-	-	-	208,006	7,030	-	15,839,310
Medicare	698,815	-	698,815	-	2,858	7,778	215,736	23,058	446,962	2,494	-	-	(67)	-	-	-	-	14	-	742,256
Other Insurance	527,680	-	527,680	157,392	30,669	7,542	240,662	8,623	57,529	25,492	(29)	-	-	-	-	-	-	-	-	821,890
Other Program Fees	512,957	300	512,657	85,773	-	-	24,957	-	17,596	-	132,210	-	238,696	-	-	32,745	-	678	-	566,254
PROGRAM SALES																				
Service	4,778,125	-	4,778,125	-	1,031,302	-	1,467,647	-	4,544	-	-	-	-	-	980,625	-	-	-	1,294,007	3,543,098
PUBLIC SUPPORT																				
United Way	11,980	-	11,980	-	-	-	-	-	-	-	-	-	-	-	11,980	-	-	-	-	122,992
Local/County Gov't.	4,000	-	4,000	4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000
Donations/Contributions	104,724	14,512	90,212	7,128	-	295	25,000	-	110	855	-	-	-	-	56,824	-	-	-	-	89,107
Other Public Support	713,884	68,274	645,610	24,970	1,386	-	487,551	-	27,892	92,336	400	-	727	-	-	1,506	8,682	100	-	566,921
DCYF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
FEDERAL FUNDING																				
Other Federal Grants	573,100	-	573,100	-	3,854	-	-	182,501	-	-	-	-	-	-	-	-	-	386,745	-	1,285,297
PATH	36,247	-	36,247	-	-	-	-	-	-	-	-	-	36,247	-	-	-	-	-	-	36,250
IN-KIND DONATIONS	170,784	-	170,784	5,200	-	-	-	-	-	-	144,886	-	20,698	-	-	-	-	-	-	170,784
OTHER REVENUES	59,669	3,328	56,341	5,283	968	46	7,626	1,030	5,391	88	26	-	321	-	35,500	-	64	-	-	190,681
BBH	1,598,676	-	1,598,676	6,007	3,854	-	-	182,500	7,999	1,396,316	-	-	-	-	-	-	-	-	-	1,831,155
TOTAL PROGRAM REVENUES	$ 28,923,201	$ 743,575	$ 28,179,626	$ 4,695,340	$ 1,354,272	$ 389,980	$ 4,000,065	$ 1,247,842	$ 9,892,064	$ 1,849,752	$ 677,016	$ 121,808	$ 923,695	$ -	$ 1,084,929	$ 34,311	$ 219,771	$ 394,782	$ 1,294,007	$ 27,293,363

Riverbend Community Mental Health Inc.
SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2018, with
Comparative Totals for 2017

	2018 Totals	Total Admin.	Total Programs	Children & Adolescents	Emergency Services/ Assessment	Restorative Partial Hospital	Choices, RCA, Inpatient, Autism, Drug Court (Non-Eligibles)	ACT Team	Multi-Service Team	Mobile Crisis Team	Comm. Res. Twitchell	Comm. Res. Fellowship	Comm. Supp. Living	RCMH Mgmt. Services (Non-BBH)	Child Impact Program (Non-BBH)	In-Shape (Non-BBH)	Integrated Care (Federal)	Section 1115 Waiver (Non-BBH)	2017
PERSONNEL COSTS																			
Salary & Wages	$ 18,573,428	$ 1,204,073	$ 17,369,355	$ 3,159,444	$ 899,635	$ 290,251	$ 2,882,060	$ 958,057	$ 4,736,501	$ 1,444,606	$ 462,957	$ -	$ 723,883	$ 716,899	$ 24,709	$ 158,490	$ 226,402	$ 887,711	$ 16,835,711
Employee Benefits	3,786,178	241,635	3,544,543	738,441	100,230	60,868	356,135	287,351	1,081,856	258,952	122,317	-	178,583	85,419	1,409	50,752	74,746	146,474	3,242,542
Payroll Taxes	1,335,337	86,064	1,249,273	233,351	48,221	21,579	189,868	86,191	351,566	107,866	35,497	-	53,368	45,099	1,847	12,464	18,209	64,317	1,193,755
PROFESSIONAL FEES																			
Substitute Staff	132,490	33,813	98,677	-	-	-	18,000	-	-	-	-	-	-	-	-	-	80,677	-	23,744
Accounting	40,375	40,375	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,855
Legal Fees	13,981	13,981	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,971
Other Prof. Fees/Consul.	1,045,952	136,729	909,223	56,032	1,428	12,461	103,198	6,488	56,360	7,481	680	575,027	1,991	4,315	1,068	3,541	51,250	27,327	1,014,785
STAFF DEV. & TRAINING																			
Journals & Pub.	8,598	913	7,685	2,525	13	41	2,554	23	1,377	309	427	-	20	7	-	37	76	274	7,056
Conferences and Conv.	101,451	16,688	84,763	18,132	1,809	678	12,870	3,415	28,745	6,318	2,196	-	1,860	702	28	831	4,478	2,803	83,718
OCCUPANCY COSTS																			
Rent	98,057	12,196	85,861	18,109	-	2,663	35,696	680	727	-	-	-	-	5,162	2,661	-	-	20,141	53,789
Heating Costs	54,056	6,182	47,874	3,785	804	966	4,573	957	11,520	3,971	-	-	16,789	-	-	1,300	824	386	47,181
Other Utilities	193,062	25,266	167,796	27,694	1,741	6,997	15,366	5,785	41,142	11,165	9,869	-	37,869	-	-	4,035	4,801	1,712	190,866
Maintenance and Repairs	159,943	22,241	137,702	18,742	1,956	5,254	16,972	4,000	37,781	8,670	6,148	-	27,864	9	1	2,026	3,189	5,090	163,285
Taxes	5,540	-	5,540	-	-	-	-	-	-	-	-	-	5,540	-	-	-	-	-	5,067
Other Occupancy Costs	48,768	7,519	41,249	4,555	-	701	19,039	121	5,471	430	667	-	1,401	-	-	-	1,881	7,003	-
CONSUMABLE SUPPLIES																			
Office	257,890	79,335	178,555	42,144	4,521	3,313	25,850	9,269	49,307	13,997	5,724	-	7,481	2,602	123	2,295	3,915	8,034	339,589
Building/Household	52,034	4,547	47,487	6,743	378	2,782	3,788	1,172	7,788	8,300	6,247	-	6,322	16	1	340	854	706	48,518
Educational/Training	33,101	-	33,101	22,082	-	486	2,751	1,132	4,230	100	76	-	70	-	991	-	1,463	140	32,571
Food	93,186	20,716	72,470	3,865	322	19,713	5,778	548	5,068	13,734	18,702	-	2,377	224	18	230	873	1,168	90,456
Medical	41,934	241	41,693	297	22	40	32,478	85	1,724	1,310	735	-	475	-	-	5	3,801	721	47,966
ADVERTISING	103,985	68,103	35,882	8,514	1,125	635	6,559	1,655	8,659	2,398	984	-	1,841	1,318	38	330	548	1,437	80,117
PRINTING	33,714	15,874	17,840	3,811	305	266	3,878	586	6,093	1,088	391	-	435	142	9	93	311	412	27,077
TELEPHONE/ COMMUNICATIONS	301,597	59,770	241,827	43,674	25,862	8,389	33,927	9,284	60,344	27,942	9,851	-	12,699	201	14	2,717	3,956	4,957	286,967
POSTAGE/SHIPPING	25,865	6,329	19,536	4,091	1,287	707	2,131	848	6,667	782	534	-	1,293	61	17	195	416	529	27,251
TRANSPORTATION																			
Staff	377,919	60,414	317,505	61,113	540	64	15,032	31,018	170,701	3,278	676	-	6,010	236	-	653	1,846	6,536	363,844
Clients	30,750	3,785	26,965	3,683	-	13,081	400	150	934	2,414	4,250	-	2,053	-	-	-	-	-	28,998
INSURANCE																			
Malpractice and Bonding	150,479	2,431	148,048	28,009	23,386	6,435	22,393	3,636	40,802	2,495	8,401	-	7,765	-	-	968	1,042	2,627	171,512
Vehicles	15,227	1,062	14,145	1,958	-	5,200	-	-	771	-	3,632	-	1,754	5	-	825	-	-	12,978
Comp. Property & Liab.	18,992	2,191	16,801	3,811	212	529	1,573	782	5,655	1,004	69	-	2,259	-	-	298	486	123	18,778
INTEREST EXPENSE	286,387	108,248	180,139	76,293	1,827	26,946	28,278	2,480	-	6,268	-	-	25,276	-	-	7,887	-	4,864	331,417
IN-KIND EXPENSE	170,784	-	170,784	5,200	-	-	-	-	-	-	144,886	-	20,698	-	-	-	-	-	170,784
DEPRECIATION AND AMORTIZATION	878,786	73,229	805,539	212,002	20,912	27,562	105,401	40,079	172,098	88,345	11,064	-	80,015	7,874	408	21,880	18,095	21,204	818,628
EQUIPMENT MAINTENANCE	28,326	3,309	23,017	2,494	1,197	2,505	3,183	836	6,210	1,952	1,802	-	1,029	-	-	785	521	503	27,905
MEMBERSHIP DUES	55,189	38,544	16,625	2,863	515	3	4,478	87	2,228	4,730	1,770	-	3	-	-	-	-	130	46,501
OTHER EXPENDITURES	184,789	57,453	107,336	32,829	2,527	6,545	11,591	3,229	23,923	8,314	4,053	-	4,156	527	788	1,090	3,995	3,805	304,206
TOTAL EXPENSES	28,718,070	2,451,256	26,264,814	4,808,095	940,783	545,680	3,995,718	1,417,916	6,926,288	2,019,248	898,477	575,027	1,237,736	870,360	34,330	273,887	504,003	1,221,263	26,247,904
ADMIN ALLOCATION	-	(2,503,141)	2,503,141	495,825	95,800	55,602	404,082	144,478	705,745	205,749	86,286	11,733	126,118	88,684	1,717	27,907	51,355	-	-
TOTAL PROGRAM EXPENSES	28,718,070	(51,885)	28,767,955	5,301,920	1,036,643	601,282	4,399,800	1,562,392	7,632,033	2,224,997	984,765	586,760	1,363,857	959,044	36,047	301,794	555,358	1,221,263	26,247,904
SURPLUS/(DEFICIT)	$ 207,131	$ 705,490	$ (586,329)	$ (666,380)	$ 317,629	$ (211,302)	$ (369,735)	$ (314,550)	$ 2,260,051	$ (375,245)	$ (277,747)	$ (464,952)	$ (440,192)	$ 123,885	$ (1,736)	$ (82,023)	$ (160,578)	$ 72,744	$ 1,045,479

Riverbend Community Mental Health, Inc.
ANALYSIS OF DHHS-BBH REVENUES, RECEIPTS AND RECEIVABLES
For the Year Ended June 30, 2018

	Receivable From BBH Beginning of Year	BBH Revenues Per Audited Financial Statements	Receipts for Year	Receivable from BBH End of Year
Contract Year, June 30, 2018	$ 194,319	$ 1,598,676	$ (1,792,921)	$ 74
TOTALS	$ 194,319	$ 1,598,676	$ (1,792,921)	$ 74

Analysis of Receipts:

BBH & Federal Fund Payments

07/28/17	$ 93,195	01/17/18	147,607
08/01/17	516	01/24/18	127,125
08/10/17	4,340	02/06/18	22,643
08/10/17	151,321	02/06/18	168,996
08/10/17	80,989	02/16/18	13,674
08/10/17	65,538	03/08/18	21,117
08/17/17	23,400	03/08/18	152,453
10/11/17	262,730	03/19/18	6,879
10/13/17	6,848	03/19/18	13,579
10/13/17	26,301	03/19/18	903
10/13/17	46,704	04/06/18	10,924
10/26/17	108,692	04/06/18	20,818
12/01/17	121,388	04/06/18	151,983
12/14/17	128,229	04/27/18	51,712
12/22/17	7,708	05/01/18	16,369
12/22/17	8,277	05/01/18	29,012
12/22/17	33,014	05/15/18	8,778
12/22/17	1,350	05/15/18	303
12/22/17	5,000	05/15/18	157,064
12/22/17	60,216	06/04/18	10,900
12/22/17	5,000	06/04/18	808
12/31/17	2,013	06/11/18	107,866
01/17/18	3,304	06/19/18	2,164
01/17/18	14,190	06/19/18	750
01/17/18	23,681	06/20/18	1,049
		06/22/18	627
		Less:Federal Monies	(737,127)
			$ 1,792,921

Riverbend Community Mental Health, Inc.
ANALYSIS OF CLIENT SERVICE FEES
For the Year Ended June 30, 2018

	Accounts Receivable, Beginning	Gross Fees	Contractual Allowances & Discounts	Bad Debts and Other Charges	Cash Receipts	Accounts Receivable, Ending
Client fees	$ 828,085	$ 3,327,094	$ (2,864,859)	$ 153,712	$ (506,593)	$ 937,439
Blue Cross/Blue Shield	49,380	705,361	(251,433)	12,265	(434,499)	81,074
Medicaid	871,840	30,768,259	(13,390,198)	(617,533)	(16,543,045)	1,089,323
Medicare	171,355	885,567	(186,751)	1,512	(679,812)	191,871
Other insurance	403,078	2,229,296	(863,281)	(19,090)	(1,443,878)	306,125
Housing fees	(280)	371,677	-	(2,649)	(369,090)	(342)
TOTALS	$ 2,323,458	$ 38,287,254	$ (17,556,522)	$ (471,783)	$ (19,976,917)	$ 2,605,490

Riverbend Community Mental Health, Inc.
Board of Directors

Leslie Walker, **Chair**
John Barthelmes, **Vice Chair**
James Doremus, **Secretary**
Peter Evers, **President/CEO**, *Ex Officio*
Andrea Beaudoin, **Assistant Secretary**
Frank Boucher
Leslie Combs
Ross Cunningham
Christopher Eddy
Lucy Hodder
Bhagirath Khatiwada
Aaron McIntire
Meg Miller
Rabbi Robin Nafshi
Bradley Osgood
James Snodgrass
Carol Sobelson
Annmarie Timmins
Robert Steigmeyer, *Ex Officio*

Jeffrey C. Fetter, MD

Education

August 1993-May 1997	Johns Hopkins University, Baltimore MD	BA
August 1997-May 2001	Case Western Reserve University, Cleveland OH	MD

Postdoctoral Training

June 2001-June 2006	Combined Internal Medicine and Psychiatry Residency Dartmouth-Hitchcock Medical Center, Lebanon NH
June 2005-June 2006	Chief Med-Psych Resident Dartmouth-Hitchcock Medical Center, Lebanon NH

Licensure/Certification

April 5, 2006-Jun 30, 2018	New Hampshire Medical License #13042
May 2017-May 2019	Basic Life Support
Jan 2018- Dec 31, 2028	Board Certified in Internal Medicine, Diplomate #255543
May 2010-May 2020	Board Certified in Psychiatry, Diplomate #60814
April 2010-present	Certified in Transcranial Magnetic Stimulation (Neurostar, Inc.)
Nov 2016-present	DEA Buprenorphine Waiver

Academic Appointments

Jan 2010 to present
Adjunct Assistant Professor of Medicine and Psychiatry
Geisel School of Medicine at Dartmouth

September 1, 2006-Jan 2010
Assistant Professor of Medicine and Psychiatry
Dartmouth Medical School

Hospital Appointments and Clinical Responsibilities

Oct 2018 – Present
Chief Medical Officer
Riverbend Community Mental Health Center

- Assertive Community Treatment Team Psychiatrist
- Admitting Privileges to Concord Hospital
- Integrated Delivery Network (IDN2) Medical Director
    - Medication Assisted Treatment for Substance Use Disorders
    - Psychopharmacology Services and Re-Entry initiatives for county inmates
    - Integrated Primary Care and Behavioral Health initiatives)

Concord, NH

Jan 2013-Sept 2018
Chief Medical Officer

- Supervision of Correctional Health Services
- Utilization Management
- Program Development
- Psychiatrist, Special Housing Unit

NH Department of Corrections
MHM Services, Inc.
Concord, NH

Feb 2015 to present
Expert Witness: Independent Psychiatric Examiner and 135-C Physician's Certifications
Cheshire, Merrimack, Rockingham, and Hillsborough Counties Probate Courts

March 2013-July 2016
EKG Interpretation Consultant
Dartmouth Psychopharmacology Research Group

Feb 2010- Dec 2012
Director of Consultation Psychiatry

- Inpatient Psychiatry
- Consultation to Hospitalist and Emergency Room
- ECT, rTMS

Concord Hospital, Concord NH

July 2010-Dec 2012
Cardiometabolic Psychiatry Clinic
Riverbend Community Mental Health Center
Concord NH

July 2006-Jan 2010
Attending Physician with Privileges in Psychiatry and Internal Medicine
New Hampshire Hospital, Concord NH

August 2006-Jan 2013
Consulting Physician with Privileges in Electroconvulsive Therapy
Concord Hospital, Concord NH

Mar 2009-Feb 2010
Chief, Cardiometabolic Psychiatry Consult Service
New Hampshire Hospital, Concord NH

Professional Leadership Positions

Dec 2017-Present
Fellowship Committee, American College of Correctional Physicians

May 2014-May 2016
Legislative Liaison, NH Psychiatric Society

May 2011-May 2015
President, NH Psychiatric Society

Nov 2013-May 2016
Executive Councilor, NH Medical Society

Mar 2009-Jan 2011
Inpatient Psychiatry Liaison, NH Psychiatric Society

July 2007-Feb 2010
Chair, Pharmacy and Therapeutics Committee, NH Hospital

July 2007-Feb2010
Chair, Metabolic Syndrome Work Group, NH Hospital

Committee Assignments

June 2003-2006	DHMC Graduate Medical Education Accreditation Committee
Apr-June 2004	Chair, DHMC Psychiatry Resident Curriculum Project
July-Dec 2005	DHMC Resident Work Hours Task Force
Aug 2006-Jan 2007	Pharmacy and Therapeutics Committee, NHH
October 2006-June 2007	Metabolic Syndrome Work Group, New Hampshire Hospital
January 2007-2010	Chair, Pharmacy and Therapeutics Committee, NHH
January 2007-2010	New Hampshire State Institutional Review Board
March 2007-2010	Medical Emergencies Committee, NHH
July 2007-2010	Chair, Metabolic Syndrome Work Group, NHH
Sept 2007-2010	Adverse Medication Events Review Committee, NHH
June 2009-Aug 2009	Defensive Measures Task Force, NHH
March 2010-Dec 2012	Pharmacy and Therapeutics Committee, Concord Hospital
July-October 2016	Special Legislative Commission on Syringe Service Programs
October 2013-Sept 2018	MHM Inc. Credentialing Committee

Memberships

American College of Correctional Physicians
American Psychiatric Association
New Hampshire Psychiatric Society
New Hampshire Medical Society

Awards and Honors

April 2001	Case Western Reserve University Health Policy Competition, Honorable Mention
June 2003	Abraham Lenzner, MD Award for Excellence in Consultation Psychiatry

April 2005	Association of Medicine and Psychiatry Martin Fenton, MD Med-Psych Resident of the Year
April 2006	Dartmouth Medical School Department of Medicine Excellence in Teaching Award Nominee
May 2006	Dartmouth Medical School Students' Excellence in Teaching Award for Medicine Clerkship
May 2007	Emory University Future Leaders in Psychiatry
April 2017	NH Public Health Association's Friend of Public Health

Research Experience

Principal Investigator: "N-3 Fatty Acids for hypertriglyceridemia in patients with schizophrenia taking atypical antipsychotics." Dartmouth Psychiatry Department Junior Clinical Investigator Research Award.

Site Investigator for New Hampshire Hospital: "Clozapine vs. Risperidone for People with First Episode Schizophrenia and Co-Occurring Substance Use Disorder," Dartmouth Psychopharmacology Research Group (A. Green, PI)

Collaborating Investigator: "Management of Risk of Relapse in Schizophrenia III," NIMH #MH41573 (S. Marder, PI)

Site Investigator for New Hampshire Hospital: "Pilot study for treatment of persistent psychotic symptoms in schizophrenia," feasibility study to prepare for NIMH funded randomized antipsychotic trial. Dartmouth Psychopharmacology Research Group (D. Noordsy, PI)

Teaching Experience

May 2004	Conceived and Organized Psychotherapy Roundtable for Residents
June 2004 and 2005	Taught "Medical Emergencies for Psychiatry Interns" Lecture Series
June 2005-2006	Initiated and Facilitated Med-Psych Residents' Report
June 2006	"Inflammatory Bowel Disease and Mental Illness," Crohn's and Colitis Foundation Symposium at Dartmouth-Hitchcock Medical Center
2006-2010	Supervision of 3rd year medical students on psychiatry clerkship Supervision of 2nd year psychiatry residents Initiated and Organized Weekly Unit "Doc Talk" Seminar
Nov 2007	Internal Medicine Morbidity and Mortality Conference, White River Junction VA Medical Center
Sept 2008	NH Hospital Grand Rounds: "Cardiometabolic Risk and Mental Illness"
May 2009	Dartmouth PRC Seminar: "N-3 Fatty Acids for High Triglycerides in Patients Taking Atypical Antipsychotics"
May 2010	CH Grand Rounds: "Consultation Psychiatry"
May 2010	"Severe Depression and Cardiovascular Disease" New England ECT Annual Meeting
Oct 2011-2013	CH Simulation Center Course "Psychiatric Emergencies: De-escalation"; Conceived and Executed Course; Filmed Video Training
May 2012	NH Hospital Grand Rounds: "Inpatient Violence"

Oct 2012	NH Medical Society Annual Scientific Meeting: "Obesity and Mental Health"
Feb 2012	Concord Hospital Grand Rounds: "Psychiatric Perspectives on Obesity"
Nov 2013	NH Medical Society Annual Scientific Meeting: "Mental Illness: Skills Every Physician Should Have"
Nov 2013	Concord Hospital Symposium: "Inpatient Violence"
Jan 2015	NH Hospital Grand Rounds: "Correctional Medicine Update"
Feb 2017	NH DOC Grand Rounds: "SHU and Analogue Environments"
March 2017	Northern NH SWAT Team Hostage Negotiation Training Exercise
Oct 2018	Association of Medicine and Psychiatry National Meeting, Chicago IL: "Correctional Medicine"

Original Articles:

Fetter, JC. Implementing a Correctional Electronic Medical Record. CorDocs: Newsletter of the American College of Correctional Physicians. 2017;20(2)

Fetter, JC. Chronic Pain. CorDocs: Newsletter of the American College of Correctional Physicians. 2016;19(2)

Fetter JC, Brunette M, Green A. N3 Fatty Acids for Hypertriglyceridemia in Patients Taking Second Generation Antipsychotics. Clinical Schizophrenia and Related Psychoses. Summer 2013 73-77A

Fetter JC, Bartels SJ, Parker C. A cardiometabolic psychiatry consultation service in a state psychiatric hospital. Prim Care Companion of CNS Disorders 2011; 13(2)

Fetter JC. Diagnosing and Managing Violence. Prim Care Companion J of CNS Disorders. 2011;13(5)

Shagoury P, Currier M, Bemis R, Fetter JC. A motivational interviewing group to manage cardiometabolic risk on an inpatient psychiatry unit: A chart review. Prim Care Companion to J Clin Psych; 2010; 12(6)

Shagoury P, Currier M, Fetter JC. A motivational interviewing group to manage cardiometabolic risk on an inpatient psychiatry unit: A case study. Prim Care Companion to J Clin Psych 2010; 12(3)e1

Fetter JC. Mirtazapine for MDMA-Induced Depression. Am J Addict. 2005 May-Jun;14(3):300-1

Denard PJ, Fetter JC, Zacharski LR. Rectus sheath hematoma complicating low-molecular weight heparin therapy. Int J Lab Hematol. 2007 Jun;29(3):190-4.

Fetter JC. Psychosocial Response to Mass Casualty Terrorism: Guidelines for Physicians. Primary Care Companion to J Clin Psychiatry 2005; 7(2): 49-52

Fetter JC, Askland KD. Antidepressants for Bipolar Depression. Am J Psychiatry 2005 Aug; 162(8): 1546

Fetter JC. Weight gain and quality of life among patients taking antipsychotics. Psychiatr Serv. 2003 Jul;54(7):1041

Fetter JC. The Gift of Therapy: A Letter to a New Generation of Therapists and their Patients. Prim Care Companion J Clin Psychiatry. 2006; 8(3): 181

Poster Presentations:

Fetter JC, Barton E, Grattan V. Hepatitis C Treatment in a Correctional System: 10 Years' Experience. Presented at National Committee for Correctional Health Care National Conference, October 2014

Fetter JC, Gillock KL, Friedman M, Howard J. Adiposity and Chronic Traumatic Stress. Presented at Association for Medicine and Psychiatry Annual Meeting, Los Angeles CA, 2006

Fetter JC, Bartels S. Developing a Medication Algorithm for Second Generation Antipsychotic-Induced Metabolic Effects.
Presented at Future Leaders in Psychiatry, Atlanta GA 2007

Scientific Sessions:
Chair, "Weight Gain and Mental Illness"
American Psychiatric Association General Meeting, New Orleans, 2010

Chris Mumford

Experience

2017-present Riverbend Community Mental Health Center Concord, NH

Chief Operating Officer

- Responsible for all administrative aspects within service programs including budget development and management, program planning, working with the Community Affairs Office to develop revenue streams, reporting to funders, and resource deployment.
- Works with program management to insure adequate staff resources by promoting a work environment in which staff are supported, offered rich career development opportunities, and held accountable for performance.
- Develop, monitor, and oversee Riverbend facilities, in conjunction with the Chief Financial Officer, to provide adequate, safe space for clients and staff.
- Work with Chief Financial Officer to develop and oversee a strategic plan for Riverbend facilities.
- Develop, monitor, and oversee Riverbend technology to provide efficient service delivery, documentation, and revenue generation.
- Maintain agency credibility in the community through strong working relationships with other area agencies, working with development and public relations staff to feature positive agency profile, and preparing reports to monitor efficiency and effectiveness of services for internal and external stakeholders.
- Oversee creation of policies and procedures for existing/future services.
- Establish and maintain relationships with insurers and managed care companies as needed.
- Attend agency, community and State meetings to represent Riverbend.
- Update and maintain professional knowledge and skills by attending relevant workshops and trainings, actively reviewing professional literature and seeking ongoing supervision and peer discussion.
- Work with the Bureau of Behavioral Health to implement Bureau directives and programming to meet Bureau expectations.
- Communicate agency values to staff and provide positive leadership to help staff view change as an opportunity.
- Engage in strategic and tactical planning to identify and maximize opportunities to meet community need.
- Maintain positive working relationships with colleagues, direct reports, and others within Riverbend and in the community.
- Act, along with CFO, as CEO in his/her absence.
- Work effectively with other members of senior management and share in coverage of management and clinical responsibilities.

2013-present Riverbend Community Mental Health Center Concord, NH

CSP Program Director

- Provides leadership for program of ~1200 adults with severe and persistent mental illness.
- Direct Supervision for 12 Managers overseeing a program of 80+ staff.
- Assures quality of clinical services of the program.
- Clinical Program development including integrated primary care, therapeutic evidenced-based practices, issues of engagement, and Trauma-informed service delivery.
- Manages program operations to optimize efficient service delivery including policy development.
- Manages resources to obtain positive financial outcomes including budget development.
- Actively engages in collaboration, teamwork, and relationship building to optimize the quality of services, program and agency effectiveness, and employee job satisfaction.

- Collaboration with other program directors to assure positive and effective program interface.
- Works with senior management to assure program needs are met with regard to personnel, IT, space, and financial resources.
- Establishes and maintains strong working relationships with 5 West, NHH, NFI, NH State Prison, MCHOC, and BBH.
- Assures compliance with documentation and other quality assurance requirements.
- Oversees requirements of State law, rules and regulations including the implementation of the Community Mental Health Agreement as it relates to the program.
- Consultation and education across the agency regarding the Adult Needs & Strengths Assessment, Supported Employment, ACT, DBT, and IMR.
- Member of Agency Committees: Clinical Records, Evidence-based practices, Investment and Quality Council.
- Key participant in the program move to the West Street location including needs assessment, design and coordination of the move.
- Ongoing development and training around working with Borderline Personality Disorder.
- Agency trainer for Adult Eligibility Determinations.

2009-2013 Riverbend Community Mental Health Center Concord, NH

Clinical Team Leader

- Provided clinical and administrative supervision to 7 Adult Clinicians.
- Provided licensure supervision to clinicians from other programs.
- Developed and provided staff training on the topics of Borderline Personality Disorder (BPD) and Dialectical Behavioral Therapy (DBT).
- Managed referrals for individual and group psychotherapy at CSP.
- Managed the intake schedule for CSP.
- Reviewed all forensic referrals to the CSP program and authorizing admission to CSP intake.
- Served as interim NHH liaison and back-up to the NHH liaison.
- Assured program adherence to HeM 401 regarding intakes and eligibility.
- Provided individual psychotherapy to a caseload of up to 20.
- Exceeded benchmark by over 275 hours since 2009 averaging more than 15 hours over per quarter.
- Served on the Clinical Records Committee.
- Coordinated internship opportunities at CSP.
- Trained as a trainer for the Adult Needs and Strengths Assessment (ANSA) tool in 2011.

2003-2009 Riverbend Community Mental Health Center Concord, NH

Adult Clinician I, II, & III

- Provided individual and group psychotherapy for adults suffering with Severe and Persistent Mental Illness.
- Completed weekly assessments for State-supported services (eligibility determinations).
- Provided linkage to outside resources for those CSP applicants determined not eligible for CSP.
- Worked closely with interdisciplinary team.
- Co-led DBT Skills group for over 5 years.
- Proficiency with Dialectical Behavioral Therapy.
- Developed and provided staff training sessions for DBT.
- Developed and facilitated a Men's Anger Management Group.
- Developed and facilitated a Social Skills Group for adults with psychotic disorders.
- Provided short-term and solutions-focused individual psychotherapy with the privately insured client population (those not eligible for CSP) at Riverbend Counseling Associates part-time for about 18 months.

Chris Mumford

2002-2003 Riverbend Community Mental Health Center Concord, NH

Residential Psychiatric Rehabilitation Specialist

- Provided Mental Illness Management Services (MIMS) to adults with severe mental illness living in supported housing.
- Medication support services

2002-2003 New Hampshire Hospital Concord, NH

Psychiatric Social Worker *Internship*

- Initial assessments on an admission unit.
- Discharge coordination with numerous community agencies.

2001-2002 Carroll County Mental Health Center Wolfeboro, NH

Adult Clinician *Internship*

- Individual psychotherapy with adults living with severe mental illness.
- Emergency Services assessment, intervention, and linkage.
- Facilitated voluntary and involuntary psychiatric hospitalizations.

Participation in DBT Skills group

Education

2001-2003 University of New Hampshire Durham, NH

Master of Social Work

- Magna Cum Laude

1994-1998 University of New Hampshire Durham, NH

Bachelor of Arts in Psychology

- Cum Laude

Licensure

Licensed Independent Clinical Social Worker

- March 17, 2007
- License #1367
- Provision of licensure supervision since 2007.

References

References are available on request.

ALLAN MARK MOSES

EMPLOYMENT:

April, 1981 - Present — RIVERBEND COMMUNITY MENTAL HEALTH, INC.
Concord, NH

Sr.V.P.-Chief Financial Officer

Responsible for the administrative duties involving general supervision of all business management services.
Supervisory and administrative capacity involving the accounts receivable, accounts payable and general ledger aspects of this $15 million non-profit organization.
Instrumental in the design and implementation of the fiscal reporting via a newly purchased computer.
Liaison with external organizations involving negotiations and presentation of data.
Member of the Board's Finance Committee.

EDUCATION:

1980

New Hampshire College, Manchester, NH
Master of Business Administration - Management
Summa Cum Laude

University of New Hampshire, Durham, NH
Division of Continuing Education
Graduate Studies - Counseling

1974

Ohio University, Athens, OH
B.A. Social Work and Sociology

PUBLICATIONS:

"Settlement Schools," Appalachia: Social Context Past and Present
An extensive research project undertaken in Kentucky, investigating thirteen settlement schools in an historical and future perspective.

ACTIVITIES:

Attendance at seminars concerning tax laws pertaining to non-profit corporations.
Attendance at conferences dealing with methods for successful grantsmanship.
Instructor with continuing education series at the New Hampshire Technical Institute and Concord Union School District.

INTERESTS:

Visited Mid-Eastern and European countries along with extensive United States traveling.
Photography, gardening, woodcrafts, aerobics.

REFERENCES:

References will be furnished upon request.

Peter John Evers

Employment History:

October 2013-Present	Riverbend Community Mental Health, Inc. President/CEO Vice President for Behavioral Health at Concord Hospital Manage $33 million mental health agency with 400 employees serving children, families and adults with outpatient, inpatient and residential services. Manage 15 bed inpatient psychiatric unit and emergency psychiatric services at Concord Hospital. Board member for Capital Region Health Care; NH Citizens Health Initiative, Leadership Advisory Council; Children's Behavioral Health Collaborative; Foundation for Healthy Communities; Concord Coalition to End Homelessness and State of NH Workforce Taskforce Program development with the New Hampshire Division of Behavioral Health to design new initiatives to better serve the community. Work with state and local government committees to advise legislators on the mental health needs of the community.	Concord, NH
April 2010-October 2013	The Home for Little Wanderers Vice President, Program Operations Responsible for the operations of all The Home's programs in Eastern Mass. 600 Employees 20 Programs and a budget of $32 Million. Achievements: Part of a team that has brought financial stability to the program side of the organization during very difficult times for non profits. Turned a small surplus last 2 Financial Years. Diversified programmatic continuum of services and revenues streams to ensure that the agency is not reliant on revenue from large single sources.	Boston MA
February 2007-April 2010	Department of Mental Health, Southeastern Area Area Director Responsibility and oversight of 1300 employees and a budget of $112M to provide services to the mentally ill in Southeastern Mass. Region. Oversight of 3 hospitals and 7 community based mental health centers providing an array of inpatient acute and outpatient services to people with mental illness. Management of all contracts with private sector providers in South Eastern Massachusetts	Brockton, MA

January 2004 - February 2007	Boston Emergency Services Team Clinical Director	Boston, MA

Responsible for clinical oversight of psychiatric crisis intervention services for the City of Boston. Supervision of 5 components of service delivery with a mission to place those with psychiatric illness in appropriate services and levels of care.

February 2003 - March 2004	Dimock Community Health Center Vice President, Behavioral Health	Roxbury, MA

Responsible for administration of the Behavioral Health Cluster at Dimock which is the largest of all of the cluster providers in the Health Center, which employs 700 individuals in the Roxbury/Dorchester Area. The Behavioral Health Cluster has a budget of over $10 million and employs in the region of 200 people. Programs include Emergency Psychiatric Evaluation, MR Residential, Addictions and Recovery Residential and Outpatient Programs and Mental Health Outpatient Programs.

December 1998 - February 2003	Boston Emergency Services Team Director of Acute Care Services	Boston, MA

Responsible for clinical and administrative operations for Dimock Community Health Center's Emergency Psychiatric Crisis Team, covering the areas of Dorchester, Roxbury and South Boston. Responsible for 24-hour coverage and response to requests for psychiatric evaluations in the community, residential group homes and hospital emergency rooms. Responsible for a budget in excess of $3 million. Duties also included the running of a 30 bed Detoxification Unit in Roxbury. Responsible for budgets, hiring and firing of staff, performance improvement and utilization review.

January 1998 - December 1998	Department of Social Services Area Director	Malden, MA

As the Director of State Child Protection office covering 10 towns north of Boston with 100 employees, responsible for all cases of child protection and all budgetary matters. The office has a caseload of some 700 families and a foster care, home based and residential budget of over $2 million. Oversaw child protection, adoption, substitute care residential care, community based initiatives, negotiation of all contracts with collateral agencies, responsibility for all personnel matters within the office and responsibility for all report and proposal writing within the office, including the proposal for the Multi-Disciplinary Treatment team, recruitment and set up.

December 1995 - January 1998	Department of Social Services Area Program Manager	Roxbury, MA

April 1995 - January1993	Boston Emergency Services Team Psychiatric Crisis Clinician; Overnight shifts.	Boston, MA
November 1993 - December 1995	Department of Social Services Assessment Supervisor.	Roxbury, MA
July 1992 - November 1993	Roxbury Multi-Service Center Program Director.	Dorchester, MA
September 1990 - July 1992	Department of Social Services Assessment Worker	Allston, MA
June 1988 - August 1990	London Borough of Newham Social Services Department Social Worker working with children in long term care.	London

Education History:

1986-1988: University Of Kent at Canterbury, England
M.S.W. Specializing in Psychology, Sociology, Social Policy and Psychotherapy.

1979-1983: Sheffield Hallam University, Sheffield, England.
B.A. [with Honors] Economics and Business Studies.
Specializing in Human Resource Management.

Additional Qualification.
C.Q.S.W. British Social Work License.
L.I.C.S.W. #1031376
LADC1 #1059

Committees/Boards
Board Member Massachusetts Association for Mental Health
Member: Statewide Committee to Reduce Emergency Room Volume 2007-2010
Member: Boston Public Health Commission; Project Launch for Children/My Child

References Available Upon Request.

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services

Contractor Name: RIVERBEND COMMUNITY MENTAL HEALTH, INC.

Name of Program: Medicated Assisted Treatment Services

BUDGET PERIOD:	SFY 19			
NAME	JOB TITLE	SALARY	PERCENT PAID FROM THIS CONTRACT	AMOUNT PAID FROM THIS CONTRACT
Peter Evers	President/CEO	$219,407	4.80%	$10,530
Allan M. Moses	Sr. VP/CFO	$145,000	10.80%	$15,658
Chris Mumford	Sr. VP/COO	$115,000	12.00%	$13,799
Jeffrey Fetter	Medical Director	$250,000	0.00%	$0
		$0	0.00%	$0
		$0	0.00%	$0
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)				$39,987