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**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**DIVISION FOR BEHAVIORAL HEALTH**

Lori A. Shibinette  
 Commissioner

Katja S. Fox  
 Director

129 PLEASANT STREET, CONCORD, NH 03301  
 603-271-9544 1-800-852-3345 Ext. 9544  
 Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

March 10, 2022

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, to amend an existing contract with Youth Opportunities Upheld, Inc. (VC# 259406), Gardner, MA, by modifying the Intensive Community Based Acute Treatment rate and decreasing the price limitation by \$569,895 from \$4,011,714 to \$3,441,819 with no change to the contract completion date of June 30, 2024, effective upon Governor and Council approval. 49% Federal Funds and 51% General Funds, dependent upon eligibility of the clients.

The original contract was approved by the Governor and Executive Council on September 15, 2021 (Tabled Item #32).

Funds are available in the following accounts for State Fiscal Years 2022 and 2023, and are anticipated to be available in State Fiscal Year 2024, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

State Fiscal Year	Current Budget	Increased (Decreased) Amount	Revised Budget
2022	\$1,337,238	(\$189,965)	\$1,147,273
2023	\$1,337,238	(\$189,965)	\$1,147,273
2024	\$1,337,238	(\$189,965)	\$1,147,273
<b>Total</b>	<b>\$4,011,714</b>	<b>(\$569,895)</b>	<b>\$3,441,819</b>

Because the Bridges System is used to process and monitor payments for these agreements, no purchase order number is assigned. The New Hampshire First System will not be used to encumber these funds.

Depending on the eligibility of the clients, funding type is determined at the time of payment. Possible account numbers to be utilized include:

05-95-92-921010-20530000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF CHILDRENS BEHAVIORAL HEALTH, SYSTEM OF CARE, CLASS 102 – CONTRACTS FOR PROGRAM SERVICES – 100% General Funds

05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 636 - TITLE IV-E FOSTER CARE PLACEMENT – 50% Federal Funds and 50% General Funds

05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 639 - TITLE IV-A/TANF EMERGENCY ASSISTANCE PLACEMENT – 100% Federal Funds

05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 643 – STATE GENERAL FUNDS FOR PLACEMENT – 100% General Funds

05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 646 – TITLE IV-E ADOPTION PLACEMENT - 50% Federal Funds and 50% General Funds

05-95-47-470010-79480000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: OFC OF MEDICAID SERVICES, OFC OF MEDICAID SERVICES, MEDICAID CARE MANAGEMENT, CLASS 535 – OUT OF HOME PLACEMENTS - 50% Federal Funds and 50% General Funds

#### **EXPLANATION**

The purpose of this request is to decrease the price limitation. Upon review and analysis of the Intensive Community Based Acute Treatment ("ICBAT") rates, it was determined that Units of Service was used instead of Daily Rate in the current contract. This error was discovered before the program opened, allowing time to correct the issue before services were provided. This amendment corrects the ICBAT rate. The Contractor will continue providing behavioral health services in residential treatment settings to children, youth and young adults who have behavioral health needs who have more intensive behavioral and mental health needs that cannot be met safely in the community without intensive supports.

The population served includes children and youth who display acute behaviors, medical needs and mental health symptoms that require treatment in residential settings. These individuals may have specialty care needs, including intellectual and developmental disabilities, fire-setting behaviors, problematic sexual behaviors, highly aggressive behaviors, and past attempts of suicide or significant self-harm. A qualified assessor will determine whether children and youth receiving services provided in the family home are eligible for the residential levels of care.

The Contractor will continue supporting the Department's efforts to provide better long-term outcomes for youth by providing services that will be short-term, target treatment episodes to reduce re-entry into residential treatment settings, and enable the State to meet the federal regulations regarding residential programs as mandated in the Families First Services Prevention Act. The Contractor will continue providing Level 4 Care, which includes High Intensity/Sub-Acute Community Based Acute Treatment (CBAT) and High Intensity/Sub-Acute ICBAT. The Contractor will continue to provide services that are family-driven, youth-guided, community-based, trauma-informed, and culturally and linguistically competent in accordance with RSA 135-F.



The Department will continue to monitor services by reviewing monthly and quarterly reports provided by the Contractor.

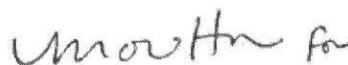
Should the Governor and Council not authorize this request, the ICBAT rate would remain incorrect, resulting in overpayments to the Contractor and a financial liability to the Department.

Area served: Statewide.

Source of Federal Funds: Assistance Listing Number #93.658, FAIN #2101NHFOST; Assistance Listing Number #93.558, FAIN #2101NHTANF; Assistance Listing Number #93.778, FAIN #2104NH5ADM.

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

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lori A. Shibinette".

Lori A. Shibinette  
Commissioner

**State of New Hampshire  
Department of Health and Human Services  
Amendment #1**

This Amendment to the Residential Treatment Services for Children's Behavioral Health contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and Youth Opportunities Upheld, Inc. ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on September 15, 2021, (Tabled Item #32), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 17 and Exhibit A Paragraph 1.1 the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

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

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

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:  
\$3,441,819
2. Modify Exhibit C, Payment Terms, Section 4, subsection 4.1.1, to read:  
4.1.1

<b>Program - The Welzel Center CBAT</b>	
Residential for IEP eligible youth per day	\$509.00
Residential Non-IEP eligible youth per day	\$509.00
<b>Program - The Welzel Center ICBAT</b>	
Residential for IEP eligible youth per day	\$799.30
Residential Non-IEP eligible youth per day	\$799.30

3. Modify Exhibit C, Payment Terms, Section 4, subsection 4.5, to read:
  - 4.5. Maximum allotment for daily rate expenditure for Department funded expenditures by fiscal year is as follows:
    - 4.5.1. Sub -total: \$3,441,819.00
    - 4.5.2. SFY 22: \$1,147,273.00
    - 4.5.3. SFY 23: \$1,147,273.00
    - 4.5.4. SFY 24: \$1,147,273.00

All terms and conditions of the Contract not modified by this Amendment remain in full force and effect. This Amendment shall be effective upon Governor and Council approval.

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

State of New Hampshire  
Department of Health and Human Services

3/8/2022

Date

DocuSigned by:

Katja S. Fox

Name: Katja S. Fox

Title: Director

Youth Opportunities Upheld, Inc.

3/8/2022

Date

DocuSigned by:

MICHAEL MATTHEWS

Name: MICHAEL MATTHEWS

Title: Sr. VP of Business & F

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

OFFICE OF THE ATTORNEY GENERAL

3/8/2022

Date

DocuSigned by:  
*Robyn Gurnino*

Name:

Title:

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:

Title:



# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that YOUTH OPPORTUNITIES UPHELD, INC is a Massachusetts Nonprofit Corporation registered to transact business in New Hampshire on February 24, 2022. 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: 894295

Certificate Number: 0005710638



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 17th day of March A.D. 2022.

A handwritten signature in cursive script, reading "William M. Gardner".

William M. Gardner  
Secretary of State

CERTIFICATE OF AUTHORITY

I, Deborah Needleman, hereby certify that:  
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Youth Opportunities Upheld, Inc.  
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on September 28, 2020, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

David A. Jordan, President  
VOTED: That Michael Matthews, Sr. VP of Business + Finance (may list more than one person)  
(Name and Title of Contract Signatory)

is duly authorized on behalf of Youth Opportunities Upheld Inc. to enter into contracts or agreements with the State  
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 3/10/22

Deborah Needleman  
Signature of Elected Officer  
Name: Deborah J. Needleman  
Title: Clerk



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

01/06/2022

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).

<b>PRODUCER</b> RSC Insurance Brokerage, Inc. 160 Federal St. 4th Floor Boston MA 02110	<b>CONTACT NAME:</b> Michael Casey <b>PHONE (A/C, No, Ext):</b> (617) 330-5700 <b>FAX (A/C, No):</b> (617) 439-3752 <b>E-MAIL ADDRESS:</b> mcasey@risk-strategies.com														
<b>INSURED</b> Seven Hills Foundation, Inc Youth Opportunities Upheld Inc 81 Hope Ave Worcester MA 01603	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A: Philadelphia Indemnity Insurance Company</td> <td></td> </tr> <tr> <td>INSURER B: Arrow Mutual</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Philadelphia Indemnity Insurance Company		INSURER B: Arrow Mutual		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER D:															
INSURER E:															
INSURER F:															

## COVERAGES

CERTIFICATE NUMBER: CL21122950110

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 VVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PHPK2363870	01/01/2022	01/01/2023	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2363869	01/01/2022	01/01/2023	GENERAL AGGREGATE \$ 3,000,000
							PRODUCTS - COMP/OP AGG \$ 3,000,000
							Abuse / Molestation \$ \$1m / \$3m
							COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ 10,000			PHUB798158	01/01/2022	01/01/2023	BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							EACH OCCURRENCE \$ 10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			1961A	01/01/2022	01/01/2023	AGGREGATE \$ 10,000,000
							PER STATUTE <input checked="" type="checkbox"/> OTH-ER <input type="checkbox"/>
							E.L. EACH ACCIDENT \$ 500,000
							E.L. DISEASE - EA EMPLOYEE \$ 500,000
A	Professional Liability - claims made			PHPK2363870	01/01/2022	01/01/2023	E.L. DISEASE - POLICY LIMIT \$ 500,000
							Each Prof. Incident \$1,000,000
							Aggregate \$3,000,000

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

## CERTIFICATE HOLDER

## CANCELLATION

State of New Hampshire Dept. of Health & Human Services 129 Pleasant Street  Concord NH 03301-3857	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 
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## MISSION

The mission of Seven Hills Foundation is to promote and encourage the empowerment of people with significant challenges so that each may pursue their highest possible degree of personal well-being and independence.

## VISION

The vision of Seven Hills Foundation is to be a preeminent leader and resource in the identification of unmet community needs; in the promotion of professional and compassionate models of service; and as an advocate of emerging public policy which exemplifies the dignity of all persons regardless of physical, social, or emotional condition.





**SEVEN HILLS FOUNDATION AND AFFILIATES**

***COMBINED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION***

***YEAR ENDED JUNE 30, 2021***

***AND***

***INDEPENDENT AUDITOR'S REPORT***

SEVEN HILLS FOUNDATION AND AFFILIATES

COMBINED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Seven Hills Foundation and Affiliates

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

We have audited the accompanying combined financial statements of Seven Hills Foundation and Affiliates (collectively, the "Foundation"), which comprise the combined statement of financial position as of June 30, 2021, the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

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

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Seven Hills Foundation and Affiliates as of June 30, 2021, 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Report on Summarized Comparative Information**

We have previously audited Seven Hills Foundation and Affiliates' 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining and other supplementary information is presented for purposes of additional analysis rather than to present the results of operations of the individual affiliates and is not a required part of the combined 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 combined financial statements. The combining and other supplementary information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

*Ballus Lynch, LLP*

Worcester, Massachusetts  
November 10, 2021



SEVEN HILLS FOUNDATION AND AFFILIATES  
COMBINED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021  
(With Summarized Financial Information for 2020)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
<b>Assets</b>				
<b>Current assets</b>				
Cash	\$ 28,698,242	\$ 584,928	\$ 29,283,170	\$ 9,753,634
Deposits with trustees	2,920,782	-	2,920,782	2,910,655
Accounts receivable, less allowance for doubtful accounts of \$761,691 and \$623,961 in 2021 and 2020, respectively	34,695,765	-	34,695,765	30,984,562
Contributions receivable, net	-	73,500	73,500	147,000
Prepaid expenses and other assets	1,562,470	-	1,562,470	1,395,571
Assets held for sale	-	-	-	3,195,999
<b>Total current assets</b>	<b>67,877,259</b>	<b>658,428</b>	<b>68,535,687</b>	<b>48,387,421</b>
Contributions receivable, net	-	5,176	5,176	8,676
Investments	49,325,551	9,784,419	59,109,970	44,794,856
Investment in unconsolidated affiliates	1,997,047	-	1,997,047	2,268,874
Deposits with trustees	5,571,504	-	5,571,504	5,546,703
Deposits and other assets	455,750	160,038	615,788	648,422
Property and equipment, net	119,923,313	-	119,923,313	121,948,451
Cash value of life insurance	5,739,674	-	5,739,674	4,359,319
Beneficial interest in assets held by community foundation	1,396,870	11,000	1,407,870	1,061,294
	<u>\$ 252,286,968</u>	<u>\$ 10,619,061</u>	<u>\$ 262,906,029</u>	<u>\$ 229,024,016</u>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities</b>				
Note payable, bank	\$ 6,956,704	\$ -	\$ 6,956,704	\$ 5,267,250
Current maturities of long-term debt	4,527,739	-	4,527,739	8,868,716
Current maturities of capital lease obligations	115,220	-	115,220	-
Accounts payable	12,782,077	-	12,782,077	7,689,175
Accrued and other liabilities	20,995,982	-	20,995,982	13,707,896
Deferred revenue	2,979,862	-	2,979,862	1,442,792
<b>Total current liabilities</b>	<b>48,357,584</b>	<b>-</b>	<b>48,357,584</b>	<b>36,975,829</b>
Advances from the State of Rhode Island	909,130	-	909,130	952,535
Note payable, other	10,000,000	-	10,000,000	-
Long-term debt, less current maturities	86,702,664	-	86,702,664	91,666,397
Long-term capital lease obligation, less current maturities	421,217	-	421,217	-
Hedging instrument liability	347,757	-	347,757	548,730
Deferred compensation liability	8,540,475	-	8,540,475	7,619,699
	<u>155,278,827</u>	<u>-</u>	<u>155,278,827</u>	<u>137,763,190</u>
<b>Net assets</b>				
Without donor restrictions				
Undesignated	61,617,288	-	61,617,288	55,090,508
Designated for endowment	35,390,853	-	35,390,853	26,327,330
With donor restrictions	-	10,619,061	10,619,061	9,842,988
	<u>97,008,141</u>	<u>10,619,061</u>	<u>107,627,202</u>	<u>91,260,826</u>
	<u>\$ 252,286,968</u>	<u>\$ 10,619,061</u>	<u>\$ 262,906,029</u>	<u>\$ 229,024,016</u>

See accompanying independent auditor's report and notes to combined financial statements.

## SEVEN HILLS FOUNDATION AND AFFILIATES

## COMBINED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021  
(With Summarized Financial Information for 2020)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
Operating support and revenue:				
Government contracts and fees	\$ 282,243,449	\$ -	\$ 282,243,449	\$ 240,536,415
H.U.D. rental subsidy	499,693	-	499,693	499,968
Private contracts and fees	2,849,073	-	2,849,073	2,878,581
Trainee production	11,003	-	11,003	114,615
Rent, vending, service fees	6,161,411	-	6,161,411	6,057,002
Interest income	271,109	-	271,109	182,761
Net investment return for operations	3,170,227	-	3,170,227	1,067,850
Beano income	-	-	-	1,097,721
Contributions	1,204,813	-	1,204,813	661,472
Grants	3,194,330	-	3,194,330	1,424,204
Cafeteria	39,149	-	39,149	251,074
Gain (loss) on sale of property and equipment	143,085	-	143,085	(290,798)
Other	2,908,979	-	2,908,979	1,402,108
Net assets released from restrictions:				
Satisfaction of purpose restrictions	408,113	(408,113)	-	-
Total support and revenue	303,104,434	(408,113)	302,696,321	255,882,973
Operating expenses:				
Program services				
Residential services	85,113,197	-	85,113,197	81,040,614
Family support	26,457,604	-	26,457,604	24,716,456
Vocational services	7,592,132	-	7,592,132	10,030,978
Nursing home services	17,513,792	-	17,513,792	16,838,543
Community services - Massachusetts	4,048,326	-	4,048,326	4,027,614
Community services - Rhode Island	22,693,156	-	22,693,156	23,994,613
Rental property operations	523,368	-	523,368	560,783
Children services	73,399,700	-	73,399,700	55,088,424
School services	14,006,315	-	14,006,315	14,235,985
Clinical services	23,596,897	-	23,596,897	5,651,314
Global outreach	218,586	-	218,586	198,053
Open door arts	421,547	-	421,547	515,082
Total program services	275,584,620	-	275,584,620	236,898,459
Supporting services				
Management and general	19,988,623	-	19,988,623	17,665,767
Fundraising	95,905	-	95,905	1,045,218
Total expenses	295,669,148	-	295,669,148	255,609,444
Change in net assets from operations	7,435,286	(408,113)	7,027,173	273,529
Non-operating revenue:				
Contributions restricted for capital purposes	-	83,917	83,917	-
Contributions associated with affiliation agreement activity	-	-	-	6,397,980
Investment return, net of amounts considered for operations	7,165,028	1,889,285	9,054,313	1,105,245
Unrealized gain (loss) on hedging instrument	200,973	-	200,973	(325,264)
Net assets released from restrictions:				
Satisfaction of purpose restrictions	789,016	(789,016)	-	-
Change in net assets	15,590,303	776,073	16,366,376	7,451,490
Net assets, beginning of year	81,417,838	9,842,988	91,260,826	83,809,336
Net assets, end of year	\$ 97,008,141	\$ 10,619,061	\$ 107,627,202	\$ 91,260,826

See accompanying independent auditor's report and notes to combined financial statements.

SEVEN HILLS FOUNDATION AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021  
(With Summarized Financial Information for 2020)

	Program Services							
	Residential Services	Family Support	Vocational Services	Nursing Home	Community Services - MA	Community Services - RI	Rental Property Operations	Children Services
Staff payroll	\$ 58,375,837	\$ 9,424,048	\$ 3,976,960	\$ 10,234,105	\$ 2,113,899	\$ 12,690,034	\$ -	\$ 4,007,611
Trainee payroll	-	-	25,353	-	-	-	-	-
Payroll taxes	4,903,299	794,747	315,452	864,828	172,071	1,047,853	-	334,476
Employee benefits	6,592,777	950,822	492,578	1,192,682	351,366	3,084,937	-	445,476
Occupancy	4,026,907	449,292	803,719	1,003,617	314,885	880,255	192,383	391,905
Telephone, cable, internet	785,417	94,033	142,978	16,544	60,737	164,075	17,118	83,435
General insurance	265,311	119,275	84,295	128,585	99,202	122,316	17,990	89,625
Office and operating supplies	515,638	93,450	161,891	1,252,814	197,068	341,141	33,982	148,667
Supplies and testing	101,814	15,140	22,855	979,431	22,045	29,886	3,125	5,402
Dues and subscriptions	18,059	15,288	8,492	368	618	33,512	465	8,830
Printing and postage	4,176	29,563	7,854	308	3,120	13,003	95	17,688
Advertising	12,600	195,445	1,928	405	-	435	-	19,452
Legal and audit	-	1,386	-	-	-	7,848	-	580
Client transportation	1,734,589	109,999	497,192	44,128	79,345	251,055	-	10,161
Specialized home care	167,432	10,904,392	134,094	125,800	228,304	1,151,266	-	995,018
Clinical consultants	1,219,456	1,440,000	-	187,095	-	173,495	-	-
Purchased services	-	-	-	205,032	-	2,062,311	743	-
Family support	326,721	1,197,428	-	-	149,399	51,990	-	66,377,094
Staff training	15,591	14,985	-	8,039	1,610	10,068	-	8,072
Event expenses	65	-	-	-	-	-	-	534
Cafeteria and food	2,221,626	1,823	60,866	276,822	-	3,796	-	126,626
Interest	1,708,824	108,573	285,357	402,915	30,814	43,835	100,355	61,371
Beano expenses	-	-	-	-	-	-	-	-
Other	325,740	269,934	86,001	7,537	113,478	259,068	7,905	24,790
Total before depreciation	83,321,879	26,229,623	7,107,865	16,931,055	3,937,961	22,422,179	374,161	73,156,813
Depreciation	1,791,318	227,981	484,267	582,737	110,365	270,977	149,207	242,887
	<u>\$ 85,113,197</u>	<u>\$ 26,457,604</u>	<u>\$ 7,592,132</u>	<u>\$ 17,513,792</u>	<u>\$ 4,048,326</u>	<u>\$ 22,693,156</u>	<u>\$ 523,368</u>	<u>\$ 73,399,700</u>

School Services	Clinical Services	Program Services			Management and General	Fundraising	Totals	
		Global Outreach	Open Door Arts	Total			2021	2020
\$ 8,016,346	\$ 15,112,407	\$ -	\$ 317,501	\$ 124,268,748	\$ 6,917,396	\$ -	\$ 131,186,144	\$ 119,632,651
-	-	-	-	25,353	-	-	25,353	166,972
664,906	1,169,250	-	27,245	10,294,127	529,504	-	10,823,631	10,185,760
1,073,242	2,228,974	-	11,941	16,424,795	2,454,467	-	18,879,262	17,881,343
1,045,053	1,578,508	2,330	31,034	10,719,888	1,195,402	100	11,915,390	10,011,645
53,825	427,914	-	3,099	1,849,175	343,858	-	2,193,033	1,662,142
355,677	445,260	2,826	-	1,730,362	204,957	-	1,935,319	1,490,256
219,048	218,155	1,350	6,293	3,189,497	305,084	-	3,494,581	3,073,759
82,017	13,636	-	-	1,275,351	2,144,299	-	3,419,650	767,668
28,763	20,673	-	1,543	136,611	320,531	-	457,142	328,149
4,268	21,954	1,528	53	103,610	107,905	-	211,515	244,238
405	34,060	-	-	264,730	214,188	-	478,918	301,297
-	-	-	-	9,814	362,829	-	372,643	317,688
164,438	185,657	-	250	3,076,814	566,302	-	3,643,116	4,316,331
140,444	946,562	3,210	19,593	14,816,115	795,796	-	15,611,911	11,935,289
750,709	551,642	-	-	4,322,397	-	-	4,322,397	5,055,669
8,459	-	-	-	2,276,545	43,245	-	2,319,790	1,900,743
22,621	-	-	-	68,125,253	-	-	68,125,253	49,271,534
12,547	41,556	-	2,500	114,968	666,834	-	781,802	761,658
-	-	-	-	599	-	95,805	96,404	113,897
421,159	220,460	-	188	3,333,366	2,111	-	3,335,477	3,298,581
363,612	85,194	-	-	3,190,850	592,563	-	3,783,413	4,119,915
-	-	-	-	-	-	-	-	897,618
102,662	99,100	207,342	307	1,503,864	1,347,031	-	2,850,895	2,651,341
13,530,201	23,400,962	218,586	421,547	271,052,832	19,114,302	95,905	290,263,039	250,386,144
476,114	195,935	-	-	4,531,788	874,321	-	5,406,109	5,223,300
<u>\$ 14,006,315</u>	<u>\$ 23,596,897</u>	<u>\$ 218,586</u>	<u>\$ 421,547</u>	<u>\$ 275,584,620</u>	<u>\$ 19,988,623</u>	<u>\$ 95,905</u>	<u>\$ 295,669,148</u>	<u>\$ 255,609,444</u>

See accompanying independent auditor's report and notes to combined financial statements.



## SEVEN HILLS FOUNDATION AND AFFILIATES

## COMBINED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021  
(With Summarized Financial Information for 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 16,366,376	\$ 7,451,490
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	257,812	196,865
Depreciation and amortization	5,411,959	5,228,250
Amortization of debt issuance costs	202,477	200,837
Amortization of bond premium	(215,651)	(237,684)
Equity in loss of unconsolidated affiliates	167,047	369,778
Change in discount and allowance on contributions receivable	(105,000)	-
Unrealized (gain) loss on hedging instrument	(200,973)	325,264
Net investment gains	(11,094,425)	(1,019,251)
(Gain) loss on sale of property and equipment	(143,085)	290,798
Change in beneficial interest in assets held by community foundation	(346,576)	(89,887)
Contributions restricted for purchases of property and equipment	(83,917)	-
Non-cash contributions	(121,580)	(6,397,980)
Deferred compensation expense	920,776	893,028
Decrease (increase) in operating assets:		
Accounts receivable	(3,969,015)	(5,311,869)
Contributions receivable	57,000	55,000
Prepaid expenses and other assets	(166,899)	16,958
Increase in operating liabilities:		
Accounts payable	5,277,440	1,754,757
Accrued and other liabilities	7,288,086	2,378,066
Deferred revenue	1,537,070	-
	4,672,546	(1,347,070)
Net cash provided by operating activities	21,038,922	6,104,420
Cash flows from investing activities:		
Payments for purchases of investments	(23,325,958)	(13,910,055)
Proceeds from sale and maturities of investments	20,105,269	14,415,826
Net (investment in) proceeds from in unconsolidated affiliates	104,780	(105,255)
(Increase) decrease in deposits and other assets	26,784	(36,749)
Expenditures for property and equipment	(3,084,601)	(3,839,245)
Proceeds from sale of property and equipment	3,517,333	1,042,699
(Increase) decrease in cash value of life insurance	(1,380,355)	746,002
Net cash used in investing activities	(4,036,748)	(1,686,777)
Cash flows from financing activities:		
Net repayments on advances from the State of Rhode Island	(43,405)	(32,554)
Net proceeds (payments) from note payable, bank	1,689,454	(3,618,031)
Principal payments on capital lease obligations	(1,140)	-
Proceeds from issuance of long-term debt	-	4,034,000
Principal payments of long-term debt	(9,291,536)	(4,975,255)
Proceeds from note payable, other	10,000,000	-
Payments on deferred compensation	-	(1,604,301)
Contributions received for capital purchases	208,917	42,000
Net cash provided by (used in) financing activities	2,562,290	(6,154,141)
Net increase (decrease) in cash, cash equivalents, and restricted cash	19,564,464	(1,736,498)
Cash acquired through affiliation agreement with Family Service Organization of Worcester, Inc. and Youth Opportunities, Upheld, Inc.	-	2,021,954
Cash, cash equivalents, and restricted cash beginning of year	16,738,442	16,452,986
Cash, cash equivalents, and restricted cash end of year	\$ 36,302,906	\$ 16,738,442

See accompanying independent auditor's report and notes to combined financial statements.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS

1 - DESCRIPTION OF ORGANIZATION

Seven Hills Foundation and Affiliates has contracts with the Commonwealth of Massachusetts and the State of Rhode Island to provide an array of health services and clinical support to children and adults challenged by emotional, behavioral, cognitive, physical or developmental disabilities.

The combined financial statements include the accounts of Seven Hills Foundation and the following affiliates which are under common control: Seven Hills Holding Corp, Inc.; Seven Hills Family Services, Inc.; Seven Hills Aspire, Inc.; Seven Hills Community Services, Inc.; Seven Hills Clinical Associates, Inc.; Seaside Education Associates, Inc.; Seven Hills Disability Resources & Advocacy, Inc.; Children's Aid & Family Service, Inc.; Seven Hills Pediatric Center, Inc.; Seven Hills Behavioral Health, Inc.; Seven Hills Global Outreach, Inc.; Seven Hills Rhode Island, Inc.; Seven Hills Neurocare, Inc.; Individual & Family Support Centers, Inc.; Stetson School, Inc.; Stetson Home; WAARC Realty; Seven Hills New Jersey, Inc.; Open Door Arts; Children's Friend, Inc.; Family Service Organization of Worcester, Inc.; and Youth Opportunities Upheld, Inc. (hereinafter collectively referred to as the "Foundation"). All material intercompany balances and transactions have been eliminated in combination.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Foundation prepares its combined financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Foundation are described subsequently to enhance the usefulness and understandability of the combined financial statements.

Summarized comparative information

The combined 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. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Basis of accounting

The combined financial statements have been prepared on the accrual method of accounting. Accordingly, assets are recorded when the Foundation obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligation is incurred.

Accounting estimates

The preparation of the combined financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the combined financial statements. On an ongoing basis, the Foundation's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Foundation's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net assets

The combined financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets (continued)

Net assets without donor restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. In addition, the governing board of the Foundation may elect to designate such resources for specific purposes. This designation may be removed at the board's discretion.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Foundation must continue to use the resources in accordance with the donor's instructions.

The Foundation's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the combined financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Foundation, unless the donor provides more specific directions about the period of its use.

Classification of transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the combined statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Cash

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Accounts receivable are primarily unsecured non-interest-bearing amounts due from agencies and grantors on cost reimbursement or performance contracts. The reserve for uncollectible accounts is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Investments

Investments are reported at fair value. Alternative investments which do not have readily determinable fair values are carried at estimated fair values using the net asset value per share of the investment as reported by the investment managers. The Foundation reviews and evaluates the net asset values reported by the investment managers and has determined that the net asset values are calculated in a manner consistent with the measurement principles of FASB ASC Topic 946 as of the statement of financial position date. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

The net investment return is reported in the statement of activities as increases or decreases in net assets without donor restriction unless its use is restricted by explicit donor stipulations or by law.

Endowment funds

The Foundation's endowment consists of both individual donor restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed or legal restrictions. Endowment funds include invested gifts and cash.

As required by generally accepted accounting principles, the Foundation classifies as donor 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. The remaining portion of the donor-restricted endowment fund that is not classified as non-expendable net assets is classified as expendable net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by state law.

In accordance with the Uniform Prudent Management of Institutional Funds Act, the Foundation may consider 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 Foundation and 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 of the Foundation; and the investment policies of the Foundation.

The Foundation has adopted investment and spending policies for its board-designated and other endowment assets that attempt to provide a predictable stream of funding for its programs while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are invested in such a manner that the investments will provide a spendable return consistent with a long-term goal of preserving the funds in real terms. Actual returns in any given year may vary from this amount.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment funds (continued)

The Stetson Home affiliate has a spending policy of appropriating for distribution each year 7% of its beginning of the year restricted balances. Amounts appropriated for expenditure were \$248,489 and \$268,579 in 2021 and 2020, respectively.

The Children's Friend, Inc. affiliate has a spending policy of appropriating for distribution each year 5% of the endowment fund's twelve quarter moving average of market value, calculated quarterly. There were no withdrawals for appropriation in 2021 and 2020.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest, dividends and net rental income). The Foundation has invested in debt and equity securities that target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor imposed restrictions require the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2021 and June 30, 2020.

Investment in unconsolidated affiliates

The Foundation has varying levels of investments in Group 7 Design, Inc., Empirical Asset Management, LLC, Wellesley/Front, LLC, Honeydrop, Inc., SCIREH Three, LLC, Harding Green, LLC Mercantile Ventures, LLC, and Franklin Realty Advisors, LLC which are accounted for by the equity method.

Property and equipment

Property and equipment are reported in the combined statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. 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 and amortization is computed using the straight-line method over the estimated useful lives of the assets.

Impairment of long-lived assets and long-lived assets to be disposed of

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment losses were recognized in the financial statements in the current period.

Unamortized debt issuance costs

Debt issuance costs, which represent fees and other costs associated with obtaining long-term financing, are being amortized on a straight-line basis, which approximates the level yield method, over the terms of the related debt obligations. Debt issuance costs will be amortized at a monthly rate ranging from \$14,367 to \$1,383 through September, 2047. Long-term debt is presented net of unamortized debt issuance costs on the statement of financial position.

Hedging instrument

Hedging instrument, including interest rate swap agreements, are recorded on the statement of financial position as either assets or liabilities measured at their fair value. All changes in the fair value of hedging instrument are recognized currently in the combined statement of activities.



SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Rent, vending, service fees

Rental income represents amounts received from residents of residential homes. Vending income represents amounts received under the vocational services program. Service fees represents amounts received under the respite care, and various day programs.

Contributions, gifts and grants

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions 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 net assets with donor restrictions. 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 restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. 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 Foundation receives contributions in a form other than cash or investments. If material, donated supplies and other items are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Foundation receives a contribution of land, buildings, or equipment, the contributed asset 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 Foundation'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.

Four residential programs and the one day program operated by Seven Hills Rhode Island are located in buildings owned by the State of Rhode Island and are provided to Seven Hills Rhode Island at no cost. The estimated value of this space (\$386,400 for the period ended June 30, 2021 and 2020) has been recorded in the combined statement of activities as both a revenue and expense item.

The Foundation received one office condominium contribution during 2021. The fair value at the time of the contribution has been recorded in the combined statement of activities as contributions and in the statement of financial position as property and equipment.

The Foundation benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Foundation's program operations and in its fund-raising events. However, none of the contributed services met the criteria for recognition in financial statements.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense recognition and allocation

The cost of providing the Foundation's programs and other activities is summarized on a functional basis in the combined statement of activities and combined statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, depreciation, and amortization, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the same basis as occupancy for each program and supporting activity.

Management periodically evaluates the basis on which costs are allocated.

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

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Foundation generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred. Advertising expense was approximately \$478,918 and \$301,297 in 2021 and 2020, respectively.

Tax-exempt status

The Foundation is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Foundation are tax deductible to donors under Section 170 of the IRC. The Foundation is not classified as a private foundation.

Management annually reviews for uncertain tax positions along with any related interest and penalties and believes that the Foundation has no uncertain tax positions that would have a material adverse effect, individually or in the aggregate upon the Foundation's statement of financial position, or related statement of activities or cash flows.

The Foundation files income tax returns in the U.S. federal jurisdiction. The Foundation is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2018.

The State of Rhode Island imposes a Health Care Provider Tax at a rate of 6% of Medicaid revenues. This tax is included in other expense on the combined statement of functional expenses. The amounts paid by the Foundation for this tax are reimbursed by Medicaid funds.

Measure of operations

In its statement of activities, the Foundation includes in its definition of *operations* all revenues and expenses that are an integral part of its programs and supporting activities. The Foundation's investment return from endowment, contributions received for capital purpose, contributions associated with mergers, and the changes in the fair values of interest rate swap agreements are recognized as non-operating activities.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

3 - RISKS AND UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant volatility in value resulting from uncertainty caused by the pandemic. The Foundation is closely monitoring its liquidity and is actively working to minimize the impact of this situation. The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Foundation's clients, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Foundation's financial position, changes in net assets and cash flows is uncertain and the accompanying combined financial statements include no adjustments relating to the effects of this pandemic.

In September 2020, the Foundation was a recipient of the Provider Relief Funds of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") in the amount of \$4,135,898, of which \$0 is been recorded as grant revenue on the statement of activities for the year ending June 30, 2021 and \$1,699,905 is recorded as deferred revenue on the statement of financial position as of June 30, 2021.

Additionally, it is reasonably possible that estimates made in the financial statements may be materially and adversely impacted in the near term as a result of these conditions, including the allowances for uncollectible accounts and contributions receivable, and the valuation of investments and beneficial interests in trusts. See footnote 25 for additional risks regarding the Foundation's investments.

4 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020 are:

	2021	2020
Financial assets		
Cash	\$ 29,283,170	\$ 9,753,634
Deposits with trustees	8,492,286	8,457,358
Accounts receivable, net	34,695,765	30,984,562
Contributions receivable, net	78,676	155,676
Investments	59,109,970	44,794,856
Beneficial interest in assets held by community foundation	1,407,870	1,061,294
Total financial assets	133,067,737	95,207,380
Less: Financial assets held to meet donor-imposed restrictions		
Purpose-restricted net assets	1,165,978	1,165,978
Donor-restricted endowment funds, net of approximately \$295,000 and \$268,000 appropriated for expenditures in 2022 and 2021, respectively.	9,079,407	8,253,334
Contributions receivable	78,676	155,676
Less: Financial assets not available within one year		
Deposits with trustees	8,492,286	8,457,358
Board-designated endowment fund	35,390,853	26,327,330
Amount available for general expenditures within one year	<u>\$ 78,860,537</u>	<u>\$ 50,847,704</u>

The above table reflects the board-designated funds as unavailable because it is the Foundation's intention to retain those resources for the long-term support of the Foundation. Note 17 provides more information about those funds and about the spending policy for board-designated funds.



SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

4 - LIQUIDITY AND AVAILABILITY (Continued)

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Further, the Foundation anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows, which identifies the sources and uses of the Foundation's cash and shows positive cash flows from operations for 2021 and 2020. As part of its liquidity management plan, the Foundation maintains a line of credit of \$10,000,000 to cover short-term cash needs. The available balance to draw on this line of credit was \$3,043,296 and \$4,732,750 as of June 30, 2021 and 2020, respectively.

5 - DEPOSITS WITH TRUSTEES

Deposits with trustees are held in various escrow accounts and are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Current		
Future debt service	\$ 2,920,782	\$ 2,910,655
Long-term		
Future debt service	<u>5,571,504</u>	<u>5,546,703</u>
	<u>\$ 8,492,286</u>	<u>\$ 8,457,358</u>

Deposits with trustees are carried at fair value, which approximates cost, and are composed of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 7,019,736	\$ 6,984,808
U.S. Government bonds	<u>1,472,550</u>	<u>1,472,550</u>
	<u>\$ 8,492,286</u>	<u>\$ 8,457,358</u>

6 - CONTRIBUTIONS RECEIVABLE

Payments of contributions receivable are expected to be received as follows:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 86,000	\$ 147,000
Receivable in one to five years	<u>17,400</u>	<u>138,400</u>
Total contributions receivable	103,400	285,400
Less: Unamortized discount	(12,224)	(24,449)
Allowance for contributions receivable	<u>(12,500)</u>	<u>(105,275)</u>
	<u>\$ 78,676</u>	<u>\$ 155,676</u>

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

7 - INVESTMENTS

Investments are included in the following classes of net assets:

	<u>2021</u>	<u>2020</u>
With donor restrictions		
Donor restricted endowment funds	\$ 9,784,419	\$ 8,143,621
Without donor restrictions		
Board-designated endowment funds	35,390,853	26,327,330
Undesignated	<u>13,934,698</u>	<u>10,323,905</u>
	<u>\$ 59,109,970</u>	<u>\$ 44,794,856</u>

Investments are composed of the following:

	<u>2021</u>		<u>2020</u>	
	Carrying Value	Fair Value	Carrying Value	Fair Value
U.S. government bonds	\$ 2,671,576	\$ 2,696,473	\$ 1,836,728	\$ 1,926,868
Corporate bonds	2,592,520	2,610,324	2,163,430	2,334,011
Municipal bonds	558,265	660,787	495,801	511,373
Mutual funds	29,852,524	40,297,247	26,674,635	29,968,782
Real estate investment trusts	16,391	17,460	49,095	56,958
Common stock	3,184,546	4,275,957	2,833,370	3,328,429
Cash and money market accounts	2,128,428	2,128,428	2,037,343	2,037,343
Exchange traded funds	4,515,038	5,745,455	3,882,502	4,201,701
Partnership - Hedge funds	<u>677,966</u>	<u>677,839</u>	<u>429,391</u>	<u>429,391</u>
	<u>\$ 46,197,254</u>	<u>\$ 59,109,970</u>	<u>\$ 40,402,295</u>	<u>\$ 44,794,856</u>

Net investment return is composed of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 1,248,386	\$ 1,238,681
Net investment gains	11,094,425	1,019,251
Investment fees	<u>(118,271)</u>	<u>(84,837)</u>
	<u>\$ 12,224,540</u>	<u>\$ 2,173,095</u>

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

8 - ENDOWMENT ASSETS

Endowment assets include donor restricted and Board-designated funds. Changes in endowment assets for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 26,327,330	\$ 8,521,334	\$ 34,848,664
Investment return:			
Interest and dividends, net of fees	639,292	186,363	825,655
Net investment gains	6,525,736	1,702,922	8,228,658
Total investment return	7,165,028	1,889,285	9,054,313
Appropriation for expenditure	(846,505)	(248,489)	(1,094,994)
End of year	\$ 32,645,853	\$ 10,162,130	\$ 42,807,983

9 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Foundation established two funds with the Greater Worcester Community Foundation (GWCF). These funds encourage donations from individuals, organizations, estates and trusts in addition to contributions by the Foundation. GWCF acts as custodian of the funds, and funds can only be expended by the Foundation if approved by both the Foundation's Board of Directors and GWCF's Board of Directors.

The Foundation does not have control over, or legal ownership of, these funds. However, an asset representing the fair value of these funds has been recorded in without donor restricted assets as the Foundation has the irrevocable right to its share of annual income earned on these assets.

As of June 30, 2021 and 2020, the estimated fair value of the funds held by GWCF on behalf of the Foundation was \$1,407,870 and \$1,061,294, respectively. Changes in the estimated value of the funds are included in the statement of activities.

10 - PROPERTY AND EQUIPMENT

Property and equipment, together with estimated useful lives, consists of the following:

	Estimated Useful Lives	2021	2020
Land	-	\$ 19,067,228	\$ 18,813,035
Buildings and improvements	20 - 40 years	153,445,342	150,371,298
Furniture and equipment	3 - 20 years	18,015,410	16,849,964
Motor vehicles	5 years	2,199,052	2,065,533
Construction in progress	-	2,438,172	3,840,355
		195,165,204	191,940,185
Less: Accumulated depreciation and amortization		75,241,891	69,991,734
		\$ 119,923,313	\$ 121,948,451

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

10 - PROPERTY AND EQUIPMENT (Continued)

Depreciation expense was \$5,406,109 and \$5,223,300 in 2021 and 2020, respectively.

During 2020, the Foundation classified a certain building as held for sale. In August 2020, the Foundation sold the building for \$3,195,999, which resulted in no gain.

11 - ADVANCES FROM THE STATE OF RHODE ISLAND

Seven Hills Rhode Island has an agreement with the State of Rhode Island to operate residential facilities and day programs. Under this agreement, the State of Rhode Island advances Seven Hills Rhode Island an amount equivalent to forty-five days funding per client at the agreed-upon per diem rate to provide cash flow for the programs. This advance has been classified as long-term debt as these funds are to be repaid to the State of Rhode Island at the termination of the agreement. However, it is anticipated that the programs will continue to operate and the State of Rhode Island will continue to provide these funds.

12 - NOTE PAYABLE, BANK

The Foundation has a \$10,000,000 revolving credit facility with a bank secured by substantially all assets of the Foundation. Interest is charged at the LIBOR lending rate plus 200 basis points (2.09% as of June 30, 2021). The line of credit is available through March, 2022, at which time the terms and conditions of the line of credit will be reviewed. The balance outstanding on this line of credit was \$6,954,704 and \$5,267,250 as of June 30, 2021 and 2020, respectively.

13 - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2021</u>	<u>2020</u>
Bond notes payable, secured by real estate and cash flows from provider contracts:		
Due in annual installments of principal through September 2039. Interest is due monthly at a weekly rate of interest determined by the remarketing agent for each rate period to be the lowest rate on the basis of prevailing financial market conditions (3.39% as of June 30, 2021) during the life of the obligation. A letter of credit securing this note expires May 2022.	\$ 7,039,923	\$ 7,379,923
Due in annual installments of principal through September 2039. Interest is due monthly at a weekly rate of interest determined by the remarketing agent for each rate period to be the lowest rate on the basis of prevailing financial market conditions (2.97% as of June 30, 2021) during the life of the obligation. A letter of credit securing this note expires May 2022.	3,229,962	3,389,962
Due in annual installments of principal with lump sum due December 2041. Interest is due monthly at 76% of the sum of the 30-Day LIBOR rate plus 2.00% (1.791% as of June 30, 2021) during the life of the obligation.	5,294,123	5,512,657
Due in monthly payments of \$42,694, plus interest at variable rates through November 2024. Principal payments increase by approximately 5.50% annually through November 2024.	2,965,336	3,736,501

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

13 - LONG-TERM DEBT (Continued)

	<u>2021</u>	<u>2020</u>
Due in annual installments of principal through May 2042. Interest is due monthly at 76% of the sum of the 30-Day LIBOR rate plus 2.00% (1.791% as of June 30, 2021) during the life of the obligation.	\$ 824,635	\$ 902,135
Due in annual installments of principal through June, 2043. Interest is due monthly at 76% of the sum of the 30-Day LIBOR rate plus 2.00% (1.778% as of June 30, 2021) during the life of the obligation.	928,664	1,268,831
Due in annual installments of principal through September, 2045. Interest is due semi-annually at rates increasing from 3.039% to 5.00% during the life of the obligation.	42,110,000	43,215,000
Due in annual installments of principal through September, 2045. Interest is due semi-annually at rates increasing from 3.039% to 5.00% during the life of the obligation.	3,532,157	4,377,157
Due in annual installments of principal through October, 2047. Interest is due monthly at a fixed rate of 3.24% through October 2022. Interest rate will be adjusted December 2022 and every five years to a commensurate rate.	18,124,297	18,574,991
Borrowings under construction credit facility. Due in monthly installments of \$6,642 including interest at 9.00% through August 2032.	560,221	588,127
Non-interest bearing contingent loans from various sources to assist in development of housing projects, generally not required to be repaid unless the project fails to comply with the conditions of the loan. It is the intention of the Board of Directors and management to maintain the property as required. Loans are due at varying maturities through June 2037.	2,254,093	2,254,093
Notes payable:		
Note payable, bank, due in monthly installments of \$35,035, including interest at 3.60% through May, 2034, secured by mortgage of certain buildings. In August 2020, the Foundation sold a certain building. Proceeds were used to pay off certain long-term debt in the amount of \$4,537,511.	1,051,489	5,766,918
Note payable, bank, due in monthly installments of \$4,284 including interest at 4.55%, through June, 2034, secured by certain buildings.	501,809	529,372
Note payable, bank, secured by mortgage of certain buildings, due in monthly installments of principal commencing July, 2020 of \$17,715 through June, 2023, at which time the loan is due in full. Interest is LIBOR plus 2.00% (2.091% as of June 30, 2021).	3,821,420	4,034,000
	92,238,129	101,529,667
Unamortized bond premiums	1,514,376	1,730,027
Current maturities of long-term debt	(4,527,739)	(8,868,716)
Unamortized debt issuance costs	(2,522,104)	(2,724,581)
	<u>\$ 86,702,662</u>	<u>\$ 91,666,397</u>

In connection with certain bond and note payable agreements, the Foundation has agreed to various restrictive covenants.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

13 - LONG-TERM DEBT (Continued)

Maturities of long-term debt in subsequent years are as follows:

2022	\$ 4,527,739
2023	8,102,917
2024	4,696,375
2025	5,554,170
2026	5,058,344
Thereafter	<u>64,298,584</u>
	<u>\$ 92,238,129</u>

14 - NOTE PAYABLE, OTHER

In response to the COVID-19 pandemic, the Paycheck Protection Program (PPP) was established under the CARES Act and administered by the SBA. Organizations who met the eligibility requirements set forth by the PPP could qualify for PPP loans. If the loan proceeds are fully utilized to pay qualified expenses, the full principal amount of the PPP loan, along with any accrued interest, may qualify for loan forgiveness, subject to potential reduction based on the level of full-time employees maintained by the organization. In April 2021, the Foundation received a loan of \$10,000,000 under the PPP. The loan bears interest at 1.0%, with principal and interest payments deferred for the first six months of the loan. Subsequently, the loan and interest would be paid back over a period of 18 months, if the loan is not forgiven under the terms of the PPP. The Foundation has accounted for loan proceeds under the PPP in accordance with ASC 405, whereby the loan is considered outstanding until the Foundation is legally released from its obligation.

The Foundation believes that its use of the proceeds is consistent with the purposes of the PPP and it will meet the conditions for forgiveness of the balance. These proceeds have not been forgiven as of June 30, 2021 and the loan has been recorded on the statement of financial position as a note payable, other. Although the Foundation expects the balance of the loan to be forgiven in 2022, it has been classified as long-term as it will not require the expenditure of resources within the next year.

15 - HEDGING INSTRUMENT

The Foundation maintains an interest-rate risk-management strategy that uses derivative instruments to minimize significant, unanticipated earnings fluctuations caused by interest-rate volatility.

The Foundation entered into an interest rate swap agreement related to certain long-term debt. The swap is utilized to manage interest rate exposures and are designated as a highly effective cash flow hedges. The differential to be paid or received on the swap agreement is accrued as interest rates change and is recognized over the life of the agreement in interest expense. The remaining swap agreement is as follows:

<u>Notional Amount</u>	<u>Interest Rate</u>	<u>Expiration Date</u>	<u>Liability Value</u>
\$ 6,283,429	1.886%	November, 2025	\$ (347,757)

Included in statement of activities is an unrealized gain (loss) of \$200,973 and \$(325,264) relating to the change in fair value of the swap agreement for the years ended June 30, 2021 and 2020, respectively.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

16 - DEFERRED COMPENSATION LIABILITY AND LIFE INSURANCE

The Foundation has deferred compensation agreements providing benefits to certain key employees commencing at retirement. Deferred compensation expense related to these agreements was \$217,596 and \$212,879 in 2021 and 2020, respectively. These amounts are required to accrue the present value of benefits at retirement.

The Foundation may make discretionary contributions to the 457(f) plan. The Foundation recorded deferred compensation expense related to the 457(f) plan of \$703,180 and \$680,149 in 2021 and 2020, respectively.

The Foundation is the owner and beneficiary of life insurance policies covering certain members of management. The policies had an aggregate cash surrender value of \$5,739,674 and \$4,359,319 at June 30, 2021 and 2020, respectively.

17 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The board has designated certain assets as reserved for endowment purposes. All spending from these reserves must be approved by the governing board. See note 2 for spending policy of the endowment.

18 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods:

	2021	2020
Purpose restrictions, available for spending		
Treatment fund	\$ -	\$ 42,468
Capital campaign	348,549	1,033,648
BRACE	9,787	12,842
PPT program	8,000	24,335
Kenya project	-	7,229
Other	11,919	29,137
Fairlawn psychiatrist	-	16,319
Total purpose restricted net assets	<u>378,255</u>	<u>1,165,978</u>
Time restrictions		
Contributions receivable, which are unavailable for spending until due, some of which are also subject to purpose restrictions	<u>78,676</u>	<u>155,676</u>
Endowment funds, which must be appropriated by the Board of Directors before use		
Children's Aid and Family Services operating activities (original amount of \$216,713)	216,713	216,713
Academic and residential program support (original amount of \$355,263)	4,220,147	3,549,845
Children's Friend operating activities (original amount of \$3,492,117)	5,564,270	4,593,776
Dynamy fund (original gifts of \$11,000)	11,000	11,000
Cottage Hill Academy (original gifts of \$150,000)	<u>150,000</u>	<u>150,000</u>
Total endowment funds managed by the Foundation	<u>10,162,130</u>	<u>8,521,334</u>
Total net assets with donor restrictions	<u>\$ 10,619,061</u>	<u>\$ 9,842,988</u>



SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

18 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Operating:		
Investment return appropriated for expenditure	\$ 248,489	\$ 268,577
Operating activities	57,000	55,000
Treatment fund	42,468	-
PPT Program	16,335	-
Other	43,821	-
	<u>408,113</u>	<u>323,577</u>
Non-operating:		
Expenditures for property and equipment	<u>789,016</u>	<u>42,000</u>
	<u>\$ 1,197,129</u>	<u>\$ 365,577</u>

19 - STATE SURPLUS REVENUE RETENTION

The Commonwealth of Massachusetts has regulations governing the excess of state revenue over expenses for not-for-profit organizations subject to the Division of Purchased Services' Authority. Such a surplus, up to 20% of current year state revenue, shall be retained by the organization for its charitable purposes. If an organization has a surplus in excess of the 20% rule, the Commonwealth may stipulate the use of such excess by the Foundation, request the return of the surplus to the state, or reduce state funding in future years. Amounts within the 20% rule are included in net assets. Any amount in excess of these rules is owed to the Commonwealth. Through June 30, 2021, the Foundation did not have surpluses in excess of the 20% rule.

20 - CONCENTRATION

The Foundation receives a significant portion of its support and revenue from the Commonwealth of Massachusetts, Department of Developmental Services and Department of Early Education and Care. Total support and revenue included the following:

	<u>2021</u>	<u>2020</u>
Department of Developmental Services	\$ 104,435,196	\$ 93,626,056
Department of Early Education and Care	70,168,201	51,361,769



SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

21 - STATEMENT OF CASH FLOWS

Supplemental disclosure of cash flows information is as follows:

	<u>2021</u>	<u>2020</u>
Cash paid during the year for interest	\$ 3,842,334	\$ 4,208,281

The Foundation acquired property and equipment and incurred capital lease obligations in the amount of \$537,577 and \$0 during 2021 and 2020, respectively.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	<u>2021</u>	<u>2020</u>
Cash	\$ 29,283,170	\$ 9,753,634
Deposits with trustees, cash and cash equivalents	<u>7,019,736</u>	<u>6,984,808</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 36,302,906</u>	<u>\$ 16,738,442</u>

22 - LEASES

The Foundation leases office equipment, motor vehicles and certain property, plant, and equipment under various lease agreements classified as operating or capital leases for financial statement purposes.

Lease expense was \$2,882,300 and \$2,529,239 in 2021 and 2020, respectively.

Future minimum lease payments under these operating leases are as follows:

Year Ending	<u>Capital</u>	<u>Operating</u>
2022	\$ 115,220	\$ 2,319,373
2023	115,220	1,774,551
2024	115,220	1,157,674
2025	115,220	739,154
2026	114,650	609,477
Thereafter	<u>-</u>	<u>2,268,242</u>
Total minimum lease payments	575,530	\$ 8,868,471
Less: Amount representing interest at 2.56% to 5.99%	<u>39,093</u>	
Obligations under capital lease	<u>\$ 536,437</u>	

23 - RETIREMENT PLAN

The Foundation has a 403(b) retirement plan covering substantially all employees. The Foundation made matching contributions to the plan in the amount of \$1,374,989 and \$953,524 in 2021 and 2020, respectively.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

24 - FAIR VALUE MEASUREMENTS

The Foundation reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

Level 1: Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Valuation is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

When available, the Foundation 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 Foundation 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 Foundation's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and unconditional contributions receivable;
- recurring measurement of deposits with trustees;
- recurring measurement of endowment and long-term investments;
- recurring measurement of beneficial interests in assets held by community foundation; and
- recurring measurement of hedging instruments.

Determination of fair value

Following is a description of the valuation methodologies used for items measured at fair value. There have been no changes in the methodologies used during the year ended June 30, 2021.

*U.S. Government bonds, corporate and municipal bonds:* Determined using contractual cash flows and the interest rate determined by the closing bid price on the last business day of the fiscal year if the same or the obligation with a similar maturity is actively traded.

*Mutual funds and real estate investment trusts:* Valued at the daily closing price as reported by the securities. Securities held by the Foundation are open-ended funds that are registered with the SEC. These funds are required to publish their net asset value (NAV) and to transact at this price. The securities held by the Foundation are deemed to be actively traded.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

24 - FAIR VALUE MEASUREMENTS (Continued)

Determination of fair value

*Common stock and cash and money market accounts:* Valued at the NAV of shares held by the Foundation at year-end. NAV is valued at the closing price reported in the active market in which individual securities are traded.

*Exchange traded funds:* Determined by the published closing price on the last business date of the fiscal year.

*Beneficial interest in assets held by community foundation:* The Foundation estimates the fair value based on the value of the original deposits plus allocated income as calculated and reported by Greater Worcester Community Foundation (GWCF). The Foundation has evaluated the valuation policies of GWCF and the reported value of its holdings as of the statement of financial position date and believes that the reported value is reasonable and reflects the value at which the Foundation can redeem its holdings.

*Hedging instrument:* Valued using both observable and unobservable inputs, such as quotations received from counterparty, dealers or brokers, whenever available and considered reliable. In instances where models are used, the value of the interest rate swap depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, prepayment rates, assumptions for nonperformance risk and correlations of such inputs.

The Foundation's financial assets that are measured at fair value on a recurring basis were recorded using the fair value hierarchy at June 30, 2021 as follows:

	Level 1	Level 2	Level 3	Total
Investments				
U.S. Government bonds	\$ -	\$ 2,696,473	\$ -	\$ 2,696,473
Corporate bonds	-	2,610,324	-	2,610,324
Municipal bonds	-	660,787	-	660,787
Mutual funds	40,297,247	-	-	40,297,247
Real estate investment trusts	17,460	-	-	17,460
Common stock	4,275,957	-	-	4,275,957
Cash and money market accounts	2,128,428	-	-	2,128,428
Exchange traded funds	5,745,455	-	-	5,745,455
Total investments within the fair value hierarchy	52,464,547	5,967,584	-	58,432,131
Investments measured at net asset value				677,839
Total investments				59,109,970
Deposits with trustees				
Cash and cash equivalents	7,019,736	-	-	7,019,736
U.S. Government bonds	-	1,472,550	-	1,472,550
Total deposits with trustees	7,019,736	1,472,550	-	8,492,286
Beneficial interest in assets held by community foundation	-	-	1,407,870	1,407,870
Total recurring fair value measurements	\$ 59,484,283	\$ 7,440,134	\$ 1,407,870	\$ 69,010,126

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

24 - FAIR VALUE MEASUREMENTS (Continued)

The Foundation's financial liabilities that are measured at fair value on a recurring basis were recorded using the fair value hierarchy at June 30, 2021 as follows:

	Level 1	Level 2	Level 3	Total
Hedging instrument	\$ -	\$ -	\$ (347,757)	\$ (347,757)

The Foundation's financial assets that are measured at fair value on a nonrecurring basis were recorded using the fair value hierarchy at June 30, 2021 as follows:

	Level 1	Level 2	Level 3	Total
Noncash contribution	\$ -	\$ 121,580	\$ -	\$ 121,580

The Foundation's financial assets that are measured at fair value on a recurring basis were recorded using the fair value hierarchy at June 30, 2020 as follows:

	Level 1	Level 2	Level 3	Total
Investments				
U.S. Government bonds	\$ -	\$ 1,926,868	\$ -	\$ 1,926,868
Corporate bonds	-	2,334,011	-	2,334,011
Municipal bonds	-	511,373	-	511,373
Mutual funds	29,968,782	-	-	29,968,782
Real estate investment trusts	56,958	-	-	56,958
Common stock	3,328,429	-	-	3,328,429
Cash and money market accounts	2,037,343	-	-	2,037,343
Exchange traded funds	4,201,701	-	-	4,201,701
Total investments within the fair value hierarchy	39,593,213	4,772,252	-	44,365,465
Investments measured at net asset value				429,391
Total investments				44,794,856
Deposits with trustees				
Cash and cash equivalents	6,984,808	-	-	6,984,808
U.S. Government bonds	-	1,472,550	-	1,472,550
Total deposits with trustees	6,984,808	1,472,550	-	8,457,358
Beneficial interest in assets held by community foundation	-	-	1,061,294	1,061,294
Total recurring fair value measurements	\$ 46,578,021	\$ 6,244,802	\$ 1,061,294	\$ 54,313,508

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

24 - FAIR VALUE MEASUREMENTS (Continued)

The Foundation's financial liabilities that are measured at fair value on a recurring basis were recorded using the fair value hierarchy at June 30, 2020 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Hedging instrument	\$ -	\$ -	\$ (548,730)	\$ (548,730)

There were no transfers between levels or purchases or sales of Level 3 assets during the year.

As disclosed in footnote 2 to the financial statements, the Foundation estimates the fair value of its investments in certain entities using the net asset value per share of the investment. Further information about these investments is presented below.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Alternative investments (a)	\$ 677,839	\$ -	Semi-annual	30 - 90 days

- (a) This fund invests across primary, secondary, and direct co-investments in an attempt to build a portfolio that is diversified across vintage years as well as segments of the private equity market (buyout, growth equity, venture, and credit). The Fund seeks to deploy capital more quickly than traditional fund of funds portfolios while mitigating the J-curve and limiting fees through the use of secondary and direct investment. The fair value of the investments in this category has been estimated using the net asset value per share of the investments.

25 - CONCENTRATIONS OF RISK

The Foundation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

26 - COMMITMENTS AND CONTINGENCY

The Foundation has claims and pending legal proceedings. The proceedings are, in the opinion of management, routine matters incidental to the normal business conducted by the Foundation. In the opinion of management, such proceedings are not expected to have a material adverse effect on the Foundation's financial position, results of operations or cash flows.

The Foundation has signed non-interest bearing facilities consolidation promissory notes with the Community Economic Development Assistance Corporation that are secured by real estate. The terms of the agreements require the Foundation to hold the properties for a period of 30 years. In the event the Foundation disposes of these properties prior to the required timeframe, the entire principal balance(s) will become due.

As of year-end, the Foundation had approximately 155 employees who are represented by Local 5068, United Nurses & Allied Professionals. The Foundation had negotiated a one year contract extension through June 2022.

The contracts with the states have been expended according to their respective terms contained in the agreements and are subject to possible final audit determination by certain governmental agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the combined financial position of the Foundation as of June 30, 2021, or on the changes in net assets for the year then ended.

SEVEN HILLS FOUNDATION AND AFFILIATES  
NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

27 - RELATED-PARTY TRANSACTIONS

Contributions included \$39,209 and \$68,970 from members of the Foundation's Board of Directors for the year ended June 30, 2021, and 2020, respectively.

The Foundation had the following balances and transactions with its unconsolidated affiliates:

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 6,091	\$ 40,221
Expenditures for property, plant and equipment	103,716	152,276

The Foundation has a 6.96% ownership in an unconsolidated affiliate which is the investment advisor for certain investments. Investment fees paid were \$11,417 and \$9,765 in 2021 and 2020, respectively.

In June 2018, the Seven Hills Family Services, Inc. affiliate entered into a long-term service and supports community partner agreement. This affiliate is doing business as Massachusetts Care Coordination Network under this agreement.

28 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 10, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

29 - RECLASSIFICATION

Certain amounts in the 2020 comparative information have been reclassified to conform with the 2021 presentation. Such reclassifications had no effect on the change in net assets as previously reported.

SUPPLEMENTARY INFORMATION

SEVEN HILLS FOUNDATION AND AFFILIATES

COMBINING STATEMENT OF ACTIVITIES WITHOUT DONOR RESTRICTIONS

YEAR ENDED JUNE 30, 2021

	Seven Hills Foundation	Seven Hills Family Services, Inc.	Seven Hills Aspire, Inc.	Seven Hills Community Services, Inc.	Children's Aid & Family Service, Inc.	Seven Hills Extended Care at Groton, Inc.	Seven Hills Behavioral Health, Inc.
Operating support and revenue:							
Government contracts and fees	\$ 1,020,702	\$26,517,176	\$ 7,191,316	\$ 88,195,854	\$ 70,759,637	\$ 21,247,741	\$ 4,012,429
H.U.D. rental subsidy	-	-	-	499,693	-	-	-
Private contracts and fees	-	778,292	139,913	49,710	51,322	-	128,582
Trainee production	-	-	11,003	-	-	-	-
Rent, vending, service fees	474,379	120,539	268,003	4,571,914	-	-	-
Interest income	270,832	-	-	-	-	-	-
Net investment return for operations	1,019,236	-	-	39	1	9	-
Contributions	524,746	120,754	17,725	39,505	1,154	21,440	1,582
Grants	-	55,620	127,951	2,400	93,845	49,862	209,654
Cafeteria	-	-	35,225	-	-	-	-
Management fee	15,793,838	-	-	-	-	-	-
Gain (loss) on sale of property and equipment	47,079	-	-	-	-	-	-
Other	1,170,930	-	-	976,973	993	65	60
Net assets released from restrictions:							
Satisfaction of purpose restrictions	305,489	-	-	-	-	-	-
Total support and revenue	20,627,231	27,592,381	7,791,136	94,336,088	70,906,952	21,319,117	4,352,307
Operating expenses:							
Program services							
Residential services	-	-	-	92,417,492	-	-	-
Family support	-	26,330,566	-	-	-	-	-
Vocational services	-	-	8,300,778	-	-	-	-
Nursing home services	-	-	-	-	-	18,604,184	-
Community services	-	-	-	-	-	-	4,332,144
Facility maintenance	70,227	149,010	272,435	75,243	-	-	-
Children services	-	-	-	-	70,693,692	-	-
Clinical services	-	-	-	-	-	-	-
School services	-	-	-	-	-	-	-
Global outreach	-	-	-	-	-	-	-
Open door arts	-	-	-	-	-	-	-
	70,227	26,479,576	8,573,213	92,492,735	70,693,692	18,604,184	4,332,144
Supporting services							
Management and general	17,553,322	-	-	-	-	2,575,449	-
Fundraising	95,905	-	-	-	-	-	-
Total expenses	17,719,454	26,479,576	8,573,213	92,492,735	70,693,692	21,179,633	4,332,144
Change in net assets from operations	2,907,777	1,112,805	(782,077)	1,843,353	213,260	139,484	20,163
Non operating revenue:							
Investment return, net of amounts appropriated for operations	7,165,028	-	-	-	-	-	-
Unrealized gain on hedging instruments	200,973	-	-	-	-	-	-
Net assets released from restrictions:							
Satisfaction of purpose restrictions	21,717	-	-	-	-	-	-
Change in net assets	10,295,495	1,112,805	(782,077)	1,843,353	213,260	139,484	20,163
Net assets, beginning of year	60,268,661	18,362,909	3,174,697	17,767,629	(477,539)	(6,679,475)	(4,167,817)
Net assets, end of year	\$ 70,564,156	\$19,475,714	\$ 2,392,620	\$ 19,610,982	\$ (264,279)	\$ (6,539,991)	\$ (4,147,654)



## Schedule 1

Seven Hills Rhode Island	Seven Hills Global Outreach	Stetson Home & Stetson School, Inc.	Open Door Arts	Children's Friend	Family Services of Central MA	Youth Opportunities Upheld, Inc.	Other Affiliates	Eliminations	Total
\$ 21,392,658	\$ -	\$ 15,892,985	\$ 130,788	\$ 2,462,639	\$ 1,049,444	\$ 22,370,080	\$ -	\$ -	\$ 282,243,449
48,199	-	-	5,466	161,496	185,961	1,300,132	-	-	499,693
714,896	-	911,680	-	-	-	-	-	-	2,849,073
277	-	-	-	-	-	-	-	(c) (900,000)	11,003
65,346	-	69	85,007	1,314,192	12,954	673,374	-	-	6,161,411
11,670	53,316	7,070	39,356	47,281	156,923	162,291	-	-	271,109
298,462	15,000	358,406	217,600	100,764	619,306	1,045,460	-	-	3,170,227
3,924	-	-	-	-	-	-	-	-	3,194,330
1,611,900	-	-	-	-	-	-	(b) (17,405,738)	-	39,149
96,006	-	-	-	-	-	-	-	-	143,085
295,036	-	3,091	-	83,127	2,750	375,954	-	-	2,908,979
-	-	-	-	-	-	102,624	-	-	408,113
24,538,374	68,316	17,173,301	478,217	4,169,499	2,027,338	26,029,915	-	(18,305,738)	303,104,434
-	-	-	-	-	-	-	(b) (7,304,295)	-	85,113,197
-	-	-	-	-	2,629,922	-	(b) (2,502,884)	-	26,457,604
-	-	-	-	-	-	-	(b) (708,646)	-	7,592,132
24,482,404	-	-	-	-	-	-	(b) (1,090,392)	-	17,513,792
-	-	-	-	-	-	-	(b) (2,073,066)	-	26,741,482
-	-	-	-	-	-	-	(b) (43,547)	-	523,368
-	-	-	-	3,249,584	-	-	(b) (543,576)	-	73,399,700
-	-	-	-	-	-	25,547,809	(b) (1,950,912)	-	23,596,897
-	-	15,899,135	-	-	-	-	(b,c) (1,892,820)	-	14,006,315
-	236,262	-	-	-	-	-	(b) (17,676)	-	218,586
-	-	-	459,323	-	-	-	(b) (37,776)	-	421,547
24,482,404	236,262	15,899,135	459,323	3,249,584	2,629,922	25,547,809	-	(18,165,590)	275,584,620
-	-	-	-	-	-	-	(b) (140,148)	-	19,988,623
-	-	-	-	-	-	-	-	-	95,905
24,482,404	236,262	15,899,135	459,323	3,249,584	2,629,922	25,547,809	-	(18,305,738)	295,669,148
55,970	(167,946)	1,274,166	18,894	919,915	(602,584)	482,106	-	-	7,435,286
-	-	-	-	-	-	-	-	-	7,165,028
-	-	-	-	-	-	-	-	-	200,973
-	-	-	-	-	-	767,299	-	-	789,016
55,970	(167,946)	1,274,166	18,894	919,915	(602,584)	1,249,405	-	-	15,590,303
591,672	(3,036,141)	995,517	(136,185)	422,513	(91,757)	1,593,359	(7,072,405) (a)	(97,800)	81,417,838
\$ 647,642	\$ (3,204,087)	\$ 2,269,683	\$ (117,291)	\$ 1,342,428	\$ (694,341)	\$ 2,842,764	\$ (7,072,405) (a)	\$ (97,800)	\$ 97,008,141

See accompanying independent auditor's report.

SEVEN HILLS FOUNDATION AND AFFILIATES

EXPLANATION OF ELIMINATIONS

YEAR ENDED JUNE 30, 2021

- (a) To eliminate effects of intercompany sale/leaseback of facility.
- (b) To eliminate intercompany management fees.
- (c) To eliminate intercompany charges for rent.

See accompanying independent auditor's report.



**GOVERNING BOARD OF DIRECTORS - 2022**

Dr. Charles P. Conroy  
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Vice Chair

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Treasurer

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Frances E. Polito

Marianne E. Rogers

David E. Simon

Peter R. Stanton

David K. Woodbury

Danielle Painchaud  
Assistant Secretary

ANNE L. FINE

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**Massachusetts Licensed Independent Clinical Social Worker (LICSW): 114370**

**OBJECTIVE:** To be a part of a visionary executive team leading an innovative organization whose mission is to build vibrant,

just, and healthy communities.

**EXPERIENCE:**

**Youth Opportunities Upheld, Inc.**

81 Plantation Street, Worcester, MA 01604

**Sr. AVP/Director of Clinical Operations**

9/2019 – present

Lead the financial, administrative and clinical operations for child and family ambulatory and acute residential behavioral health services in Central Massachusetts that encompass the following service areas:

- Ambulatory care including: DPH- and BSAS-licensed outpatient clinic and 2 satellite clinics, outpatient outreach services, CBHI services and DCF support and stabilization services.
- Residential care including: acute care, hospital diversion programming.
- Central referral and Family Resource Centers
- Quality management and training department.

**Vice President, Behavioral Health**

11/2017 – 9/2019

Oversee behavioral health operations including DPH-licensed outpatient mental health and BSAS licensed adolescent substance use services, CBHI services throughout Central Mass, the Southern Worcester County CSA, DCF contracted programs including Family Networks (WWAO), Support and Stabilization services, the Worcester Family Resource Center, comprehensive foster care, DYS community support services, and a variety of other grant-funded programs. Design, implement, and manage organizational structure and processes to integrate and align behavioral health services in order to improve client experience and outcome as well as maximizing efficiency.

Serve as a member of the agency's senior management team. Responsible for:

- Development and management of a \$20 million budget that exceeded forecasted expectations.
- Oversight of more than 250 administrative and clinical staff.
- Ensure high-quality, culturally-competent clinical care to more than 3,500 clients annually.
- Create and support a workplace culture of compassion, collaboration, innovation and effectiveness.

**Director of Outpatient Services**

8/2015 – 11/2017

Served as the clinical director of three DPH-licensed outpatient mental health clinics, providing individual and family psychotherapy, group counseling, substance use services, psychiatry services, psychological evaluation, and early-childhood mental health and consultation services to children, adolescents, and their families.

- Implemented redesign of outpatient services to significantly reduce deficit programming.
- Increased clinical staffing with providers trained in evidence-based practice
- Insured compliance with all aspects of DPH licensing and 3<sup>rd</sup> party payer regulations.

**Director, Worcester Counseling Center**

6/2014 – 8/2015

Managed all aspects of the Worcester outpatient mental health clinic including budgeting, staffing and supervision, administrative services, electronic medical-recordkeeping, quality management and compliance, and clinical services.

**Boston University School for Social Work**

1/2013 – present

264 Bay State Rd, Boston, MA 02215

**Adjunct Faculty.** Courses taught include: Group Work, Trauma Treatment (Adult Trauma Treatment and Child Trauma Treatment), Family Therapy, Child Psychopathology, and Family Violence.

**Psychotherapy & Consultation Private Practice**

47 Prospect Street, West Boylston, MA 01583

1/2009 – 6/2018

Provided individual, family, and couples counseling to clients who are struggling with anxiety, depression, trauma & loss, adjustment disorders, sexuality and intimacy issues, relationship conflict, and/or life transition.

**Youth Opportunities Upheld, Inc.**

81 Plantation Street, Worcester, MA 01604

**Program Director**

2/2009 – 12/2013

ANNE L. FINE,

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**Massachusetts Licensed Independent Clinical Social Worker (LICSW): 114370**

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Outpatient Trauma Services, Group Services, and Sexual Health Services  
 Developed, directed and supervised outpatient trauma-treatment program that utilized evidenced-based treatment:  
 ARC, TF-CBT, CPP, and EMDR.

**Outpatient Clinician** 9/2005 – 2/2009  
 Provided outpatient psychotherapy for children, adolescents, and adults in individual, group, family and couples therapy.  
 Consulted to multiple preschool classrooms on mental health, child development, and behavioral issues.

**Social Work Intern** 9/2004 – 6/2005  
 Provided individual, family and group psychotherapy to children, adolescents, and adults in an outpatient clinic.

**Westborough State Hospital** 9/2003 – 5/2004

Massachusetts Department of Mental Health, Lyman Street, Westborough, MA

**Social Work Intern**

Provided individual and group therapy and case management for adults with severe and persistent mental illness on an inpatient DTB unit.

**Massachusetts Audubon Society**

South Great Road, Lincoln, MA

**Fundraising assistant**

2001 – 2002

**Project Coordinator and Media Relations Assistant**

1988 – 1992

**COMMUNITY INVOLVEMENT:**

Children's Advocacy Center of Worcester County: Board member/steering committee 2013 – present

Child Trauma Training Center (at UMASS): Advisory Board member 2013 – 2017

Central Mass Child Trauma Center (at LUK): Advisory Board member 2013 – 2016

Worcester Institute on Loss and Trauma: Committee Member 2012 – present

**EDUCATION:**

**Smith College, Northampton, MA**

M.S.W. 2005

Thesis on clinical application of Sensorimotor Psychotherapy in the Treatment of Trauma

Awarded a grant from the Sarah Haley Memorial Fund in support of thesis

**Allegheny College, Meadville, MA**

B.A. 1986

Alden Scholar, double major: English and Political Science

**MAJOR CLINICAL TRAININGS:**

Reflective Supervision 2018 – 2019

Advanced TF-CBT practice 2017

Child-parent psychotherapy (CPP) 2014 – 2015

Advanced Training in ARC model of trauma treatment 2013

Attachment, Self-Regulation, and Competency (ARC) model of Trauma Treatment 2011 – 2012

Trauma-Focused Cognitive Behavioral Therapy (TF-CBT) 2012 & 2006

Sexuality Education Certification Training by PPLM 2011

EMDR Part I training 2009

Mental Health Consultation and Treatment of Preschool-aged Children 2005 – 2006

Family Therapy Institute: 87-hour training at YOU, Inc., in family systems treatment 2004 – 2005

School of Conscious Healing, Sedona, AZ: 700-hour certification meditation & mindfulness 1998 – 2002

References Available Upon Request

## Judi Rock, MSW, LICSW

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<b>Education</b>	1999-2001	Simmons College	Boston, MA
	<b>Master of Social Work</b>  Completed required course work and two graduate level internships specific to clinical work with children and adolescents		
	1995 - 1999	Wheaton College	Norton, MA
	<b>BA, Sociology</b> <ul style="list-style-type: none"><li>▪ Cum Laude</li><li>▪ Co-President, Alpha Kappa Delta, National Sociological Honor Society</li><li>▪ Department Award for Excellence in Sociology</li><li>▪ Minor in Family Studies</li><li>▪ Member, women's soccer team, 2 years</li></ul>		
<b>Professional experience</b>	1999-present	Youth Opportunities Upheld, Inc.	Worcester, MA
	May 2018 through present Assistant Vice President, Behavioral Health Services: Role change following the restructure of Community Based and Outpatient services into an integrated Behavioral Health Services division at YOU, Inc. <ul style="list-style-type: none"><li>• Responsible for assisting the Chief Operations Officer with operations and fiscal management</li><li>• Provide oversight and management of 3 Behavioral Health Centers located in Southbridge, Worcester and Gardner where outpatient and home based services are located</li><li>• Provide supervision of and oversight to the Community Service Agency (CSA) located in Southern Worcester County (Southbridge and Milford)</li><li>• Provide oversight and support to agency's Residential Acute Services in the role of Senior Director, Wetzel Center</li><li>• Provide strategic vision, leadership, and oversight of and for the in-home and outpatient (BH) clinical services at YOU, Inc.</li><li>• Develop and analyze programming and other initiatives in the outpatient and in-home clinical service area such that agency strategic goals are met and the service area is positioned to be a leader in the industry</li><li>• Ensure that the BH Directors are running their clinical areas such that the highest quality clinical care is provided and documented in keeping with best practice standards, regulatory standards and agency standards.</li><li>• Ensure that all training, quality assurance, compliance, productivity standards and program specifications of Outpatient, CBHI, and DCF contracted work are met.</li></ul>		

- In conjunction with the BH Directors, develop a budget/s for the programs to be reviewed and approved by the VP for Behavioral Health, the CEO, and the CFO. Monitors budgets regularly and ensures that all budgetary and productivity expectations are met or exceeded.
- Monitor issues of risk and/or potential risk, and report issues of immediate concern to the VPs, and the CEO if needed

**June 2017 through May 2018 Component Director, Community Based Services:** Responsible for program operations within Community Based Services

**2013-June 2017 Assistant Component Director, Community Based Services**

- Assist the Component Director in the oversight of the continuum of Community Based Services Program
- Directly responsible for the management oversight and supervision of 5 of the 11 Community Based Services Programs
- Assisted in the successful restructure of Community Based Services (CBS), including the transition of all Home-Based Services programs to CBS
- Assisted in the successful COA accreditation process
- Leadership role in agency initiatives including Co-Chair of Clinical Best Practices Committee and co-facilitated the restructure of the Home-Based Worker Safety Training
- Personnel management
- Program development
- Budget development and monitoring
- Collaboration on various program proposals

**2010-2013 Youth Opportunities Upheld, Inc. Worcester, MA**

**Program Director, Family Stabilization Services**

- Oversee CBHI In-Home Therapy Services and Family Stabilization treatment Services
- Responsible for management of 21 FTEs
- Monitoring and review of productivity, billing reports, and program budget
- Implementation and monitoring of program's use of electronic health record
- Responsible for the multidisciplinary treatment team
- Provide weekly clinical and licensure supervision
- Develop and maintain strong relationships with other community based providers
- Program development and monitoring of outcomes
- Adventure Based Learning Trained (ACE) Facilitator
- CANS certified

**2006-2010**

**Youth Opportunities Upheld, Inc. Worcester, MA**

**Program Director, Day Treatment Services**

- Oversee two therapeutic after-school programs; D.C.F. contracted therapeutic day treatment milieu and adolescent substance abuse outpatient services
- Responsible for the direct clinical supervision staff clinicians and graduate level interns
- Responsible for the multidisciplinary treatment team
- Co-developed PUNCH and ASCEND outpatient groups to enhance Day Treatment Services
- Develop and maintain strong relationships with other community based providers and stakeholders
- Program development
- Clinical consultant to Worcester Juvenile Resource Center
- Maintain individual therapy caseload and case management responsibilities
- Adventure Based Learning Trained (ACE) Facilitator
- GAIN Certified

**2004-2006**

**Youth Opportunities Upheld, Inc. Worcester, MA**

**Assistant Program Director, Day Treatment Services**

- Responsible for supervision of two therapeutic after-school programs
- Develop and maintain strong relationships with other community based providers
- Conduct biopsychosocial assessment of at-risk youth, including substance abuse assessment
- Facilitate psychoeducational and treatment oriented groups
- Facilitate and/or attend meetings including utilization reviews, family meetings and IEP Team meetings
- Provide individual and family therapy services to clients enrolled in the Day Treatment Service programs
- Provide clinical supervision to Day Treatment clinician and programmatic supervision to graduate level interns
- Facilitate weekly clinical treatment team meetings
- Member of agency's Research Committee

**2002-2004**

**Youth Opportunities Upheld, Inc. Worcester, MA**

**Clinical Supervisor, Day Treatment Services**

- Responsible for supervision of two therapeutic after-school programs
- Developed standardized, multi-phased treatment system for the Youth Making A Difference After-School Program
- Develop and maintain strong relationships with other community based providers
- Conduct biopsychosocial assessment of at-risk youth, including substance abuse assessment
- Facilitate psychoeducational and treatment oriented groups
- Facilitate and/or attend meetings including utilization reviews, family meetings and IEP Team meetings

**Judi Rock, MSW, LICSW | 3**



- Provide individual and family therapy services to clients enrolled in the Day Treatment Service programs
- Provide clinical supervision to Day Treatment clinician and programmatic supervision to graduate level interns
- Facilitate weekly Clinical Team meetings
- Member of Y.O.U., Inc. Community Based Services management team
- Member of Y.O.U., Inc. Crisis Response Team
- Participated in agency Risk Management Subcommittee, High Risk Programming
- Case management responsibilities including collateral and family contact

**2001-2002                      Youth Opportunities Upheld, Inc. Worcester, MA**  
**Program Coordinator, Youth Making A Difference Program**

- Facilitated psychoeducational and treatment oriented groups for at-risk adolescent clients in an after-school program setting
- Developed proactive behavior management system
- Responsible for managing referrals and program marketing
- Developed strong relationships with other community based providers
- Case management responsibilities including collateral and family contact, home-visits, utilization reviews, and case presentation
- Active participant of the Day Treatment Services Clinical Team
- Participated in Family Therapy Seminar and other agency trainings
- Participated in agency Staff Advisory Committee

**2000-2001                      Worcester Youth Guidance Center Worcester, MA**

**Graduate Intern, Outpatient Clinic and Juvenile Court Clinic**

- Provided individual and family psychotherapy services to a diverse client population (age 4 through 13); developed treatment plans
- Developed play therapy skills and enhanced clinical assessment and writing skills
- Conducted comprehensive clinical assessment, including risk and substance abuse assessment of Court involved youth and provided and presented recommendations to the Court
- Case management responsibilities including collateral and family contact

- o Youth Opportunities Upheld, Inc. Grafton, MA

**Clinical Counselor, Grafton House**

- Group home program for adolescent females with mental health issues
- Supervision of client activities
- Verbal and physical de-escalation of client behavior

**1999- 2000                      Youth Opportunities Upheld, Inc. Worcester, MA**  
**Clinical Counselor, Wetzel Center Latency Unit**

- Hospital diversion program for latency aged children experiencing acute crisis
- Supervision of client activities

- Verbal and physical de-escalation of client behavior

**1999- 2000                      Youth Opportunities Upheld, Inc. Worcester, MA**  
**Graduate Intern, Day Treatment Services**

- Facilitated psychoeducational groups for at-risk adolescent clients in an after-school program setting
- Developed assessment, crisis intervention and behavior management skills
- Case management responsibilities including collateral and family contact, home visits, and case presentation
- Program development
- Participated in agency trainings

**Awards received**              Employee of the Year, 2003

**Committees/Other Activities/Notable Accomplishments:**

- Leadership Worcester, Class of 2019
- Clinical Best Practices Committee, Co-Chair, 2014-2017
- Training Committee, present member
- Loss and Trauma Committee, 2017 - present
- New Supervisor Training Series, Co-Facilitator, present
- Profiler Leadership Committee, past member
- Privacy Practices Committee, past member
- Safety Committee, past member
- Agency Orientation Trainer: Profiler/Ethics, past member
- ACE facilitator 2007-2011
- Co-developed PUNCH and ASCEND Day Treatment Services programs
- Agency representative in the development of the state-wide In-Home Therapy Practice Profile, presently being implemented within CBHI programs

## **Paige Shotwell**

### **EDUCATION**

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William James College (APA Accredited), Newton, MA

M.A. in Professional Psychology, June 2014

Psy.D in Clinical Psychology, December 2018

Tufts University, Medford, MA

M.A. in Child Development, May 2012

University of New Hampshire, Durham, NH

B.A. in Psychology, May 2010

### **CLINICAL EXPERIENCE**

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**Y.O.U. Inc., Wetzel Center, Worcester, MA**

Program Director, Acute Care [October 2019 – Present]

40 hours a week under the supervision of Judi Rock, LICSW (personal references upon request)

- Oversaw site operations for an ICBAT/CBAT/TCU program
- Developed clinical day programming model centered around domains of wellness
- Provided weekly supervision to clinical team and residential counselors
- Facilitated site trainings, developing a training series for clinical staff and residential counselors

**Y.O.U. Inc., Gardner, MA**

Assistant Director, Behavioral Health Services – North [July 2018 – August 2019]

40 hours a week under the supervision of Lina Obando, LMHC and Judi Rock, LICSW (personal references upon request)

- Oversaw site operations for outpatient and community-based (in-home therapy and therapeutic mentoring) services
- Provided weekly reflective supervision to staff, as well as provided support to staff around crisis management and other client-related concerns
- Led weekly team meetings which included providing on-site trainings to staff about documentation, trauma-informed care, clinical interventions, and agency policies and procedures

**Y.O.U. Inc., Worcester, MA**

Clinician I [September 2016 – June 2018]

40 hours a week under the supervision of Elizabeth Cheyne, Psy.D. (personal reference upon request)

- Provided individual and family psychotherapy services to socio-culturally diverse children diagnosed with mood disorders (e.g., depression, bipolar disorder), anxiety disorders (e.g., social anxiety, posttraumatic stress disorder), pervasive developmental delays (e.g., autism), and disruptive behavior disorders (e.g., ODD)

- Coordinated therapeutic after-school program that served middle school girls between the ages of 10 -14 who are at risk of violence, hospitalization, detainment by the court, removal from their home as well as at risk of both school suspensions and dropping out entirely
- Led healthy relationships group for adolescent females (ages 16 – 19) that focuses on understanding healthy sexual development, navigating social media, and building relationships that include safe boundaries and positive connections
- Assisted site director in running the Intern Training Institute, which involves conducting family therapy sessions with an intern co-leader and a reflecting team

**Y.O.U. Inc., Worcester, MA**

*Doctoral Intern* [September 2014 – June 2016]

27 hours a week under the supervision of Evan Graber, Ph.D. and Elizabeth Cheyne, Psy.D.  
(personal reference upon request)

- Provided individual and family psychotherapy services to socio-culturally diverse children diagnosed with mood disorders (e.g., depression, bipolar disorder), anxiety disorders (e.g., separation anxiety, social anxiety, posttraumatic stress disorder), pervasive developmental delays (e.g., autism), and disruptive behavior disorders (e.g., ODD)
- Participated in weekly Family Therapy Institute as co-therapist and reflecting team member
- Co-led art therapy and healthy relationship groups for adolescent females (ages 14 – 18) with trauma histories that focuses on increasing self-esteem, improving relationships and communication, learning self-regulation and coping strategies, and developing self-identity
- Conducted psychological assessments with children and adolescents as well as facilitate feedback sessions with parents
- Received hands-on training in Trauma-Focused Cognitive-Behavioral Therapy (TF-CBT) and participate in ongoing project through UMass Medical Center that requires clinicians to utilize TF-CBT model with at least three clients

**Riverside Community Care, Newton, MA**

*Practicum Intern* [September 2013 - June 2014]

24 hours a week under the supervision of Peter Gill, Psy.D. (personal reference upon request)

- Provided individual psychotherapy services to socio-culturally diverse adults diagnosed with anxiety disorders, personality disorders, substance abuse disorders, and mood disorders
- Provided individual and family psychotherapy services to socio-culturally diverse children and adolescents diagnosed with adjustment disorders, depression, anxiety, and attachment disruptions
- Co-led group that focused on providing ongoing support and teaching mindfulness skills to women aged 50 to 65 diagnosed with various mental illnesses

**Mary Rowlandson Elementary School/Luther Burbank Middle School, Lancaster, MA**

*Practicum Intern* [September 2012 - June 2013]

16 hours a week under the supervision of Jay Ryan, Ed.D. (personal reference upon request)

- Provided individual therapy students in grades K-8 with behavioral, emotional, and social challenges
- Co-led group that focused on helping improve sixth grade students' academic performance and social skills
- Participated in weekly teachers' meetings to discuss student classroom performance
- Participated in 504 and IEP meetings

**Walker Home and School, Needham, MA**

*Intern* [September 2011- June 2012]

10 hours a week under the supervision of Ellyn Seltzer, M.Ed. and Jennie Shaw, LICSW (personal reference upon request)

- Promoted positive social relationships by encouraging interactions between students in social skills groups and duo therapy groups
- Designed and implemented a developmentally appropriate adaptive physical education curriculum
- Participated in clinical, academic case presentations, and assessment groups as part of a multidisciplinary team

**Boston Medical Center- Pediatric Primary Care Unit, Boston, MA**

*Intern for Reach Out and Read Program* [January 2011- May 2011]

10 hours a week under the supervision of Kate King, CCLS (personal reference upon request)

- Read to and interacted with children ages 5 months to 13 years
- Developed creative reading activities that engaged children in the waiting room
- Modeled reading strategies for parents and referred them to cost-effective community resources that provide reading materials
- Increased children's confidence, interest, and skills in reading

## **PROJECTS**

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**Boston Medical Center, Boston, MA**

*Volunteer Guide, Reach Out and Read* [May 2011]

- Wrote and illustrated new volunteer information guide describing developmentally appropriate reading strategies for implementation and use by personnel in the Reach Out and Read program starting in the Fall of 2011

**William James College, Newton, MA**

Doctoral Project, *Short-term Manualized Support Group for Siblings of Children with Internalizing Disorders*

- Demonstration project, completed as part of school graduation requirements, that involved creating a manualized support group for siblings and receiving feedback from three expert reviewers about the structure and content of the manual

## **Jessica Pittsley, LICSW**

### **Education**

**Simmons College, Boston, MA**  
**Graduate School of Social Work**

Graduated May 2017

**Master of Social Work Degree**  
**Emmanuel College, Boston, MA**

Graduated May 2015

**Bachelor of Arts Degree in Psychology with a concentration in Counseling and Health**

**Certifications:** Certified Child and Adolescent Needs and Strengths (CANS) Assessor, Counseling on Access to Lethal Means (CALM), Certified Trauma Focused Cognitive-Behavioral Therapy (TF-CBT) Clinician, Certified Adolescent Community Reinforcement Approach (A-CRA) Clinician

### **Related Experience**

#### **Assistant Director-Adolescent Unit**

**The Wetzel Center, YOU Inc., Worcester, MA**

December 2019-Present

- Ensure Wetzel Center is in compliance with DPH and EEC regulations on a daily basis.
- Provide supervision to direct care staff, clinical staff, and clinical interns.
- Complete risk assessments, psychosocial assessments, treatment plans, and discharge summaries for clients in care.
- Facilitate de-escalation interventions on unit as needed.
- Manage referrals and admissions.

#### **Coordinator of Substance Use Treatment Services**

**Y.O.U. Inc., Worcester, MA**

August 2018-December 2019

- Manage a treatment contract in collaboration with the Department of Public Health Bureau of Substance and Addiction Services.
- Provide consultation and training to clinicians throughout the agency.
- Provide supervision to a clinician intern engaging in the A-CRA certification.
- Complete substance use assessments to determine treatment needs and appropriate level
- Carry a caseload of approximately 30 clients ages 10-65 who are seen for individual and family therapy.
- Lead outpatient substance use treatment groups.

#### **Substance Use Services and Outpatient Clinician**

**Y.O.U. Inc., Worcester, MA**

May 2017-August 2018

- Led outpatient substance use group treatment sessions for adolescents ages 13-18 two times per week.
- Carried a caseload of approximately 35 clients ages 6-50 who are seen for weekly and bi-weekly individual and family outpatient therapy.
- Engaged in consultation work with collateral contacts to coordinate care for clients.
- Completed comprehensive assessments utilizing a bio-psycho-social lens.
- Developed treatment plans collaboratively with clients and caregivers.
- Coordinated a fire setting prevention program and led group therapy sessions to address fire setting behaviors.
- Completed risk assessments for clients who had a history of engaging in risk behaviors.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Anne Fine, LICSW	Sr. AVP/Director of Clinical Operations	\$175,000	2.5 %	\$4,375.00
Judi Rock, LICW	AVP, Acute Care & Behavioral Health	\$105,000	27 %	\$28,880.00
Paige Shotwell, PsyD	Director, Wetzel Center	\$70,000	100 %	\$70,000.00
Jessica Pittsley, LICSW	Assistant Director, Wetzel Center	\$60,000	100 %	\$60,000.00



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Lori A. Shibinette  
Commissioner

Katja S. Fox  
Director

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

129 PLEASANT STREET, CONCORD, NH 03301  
603-271-9544 1-800-852-3345 Ext. 9544  
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

August 3, 2021

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, to enter into a contract with the vendor listed below in an amount not to exceed \$4,011,714.00 to provide behavioral health residential treatment services for children, youth, and young adults to stabilize their behavioral health, with the option to renew for up to six (6) additional years, effective upon Governor and Council approval through June 30, 2024. Funding source is estimated as 51% General Funds and 49% Federal Funds dependent upon eligibility of the clients.

Vendor Name / Vendor Code	Area Served	SFY 2022	SFY 2023	SFY 2024	Total Contract Amount
Youth Opportunities Upheld  Gardner, MA (VC# TBD)	In/Near Hillsborough, Manchester, Keene, Concord, and Rockingham County	1,337,238.00	1,337,238.00	1,337,238.00	4,011,714.00
Total:		\$1,337,238.00	\$1,337,238.00	\$1,337,238.00	\$4,011,714.00

Funds are available in the following accounts for State Fiscal Years 2022 and 2023, and are anticipated to be available in State Fiscal Year 2024, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation between state fiscal years through the Budget Office, if needed and justified.

Because the Bridges System is used to process and monitor payments for these agreements, no purchase order number is assigned. The New Hampshire First System will not be used to encumber these funds.

Depending on the eligibility of the clients, funding type is determined at the time of payment. Possible account numbers to be utilized include the below:

05-95-92-921010-20530000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF CHILDRENS BEHVIORAL

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
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HEALTH, SYSTEM OF CARE, CLASS 102 – CONTRACTS FOR PROGRAM SERVICES – 100% General Funds

05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 636 - TITLE IV-E FOSTER CARE PLACEMENT – 50% Federal Funds and 50% General Funds

05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 639 - TITLE IV-A/TANF EMERGENCY ASSISTANCE PLACEMENT – 100% Federal Funds

05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 643 – STATE GENERAL FUNDS FOR PLACEMENT – 100% General Funds

05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 646 – TITLE IV-E ADOPTION PLACEMENT - 50% Federal Funds and 50% General Funds

05-95-47-470010-79480000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: OFC OF MEDICAID SERVICES, OFC OF MEDICAID SERVICES, MEDICAID CARE MANAGEMENT, CLASS 535 – OUT OF HOME PLACEMENTS - 50% Federal Funds and 50% General Funds

#### EXPLANATION

The purpose of this request is to provide behavioral health services in residential treatment settings to children, youth and young adults who have behavioral health needs who have more intensive behavioral and mental health needs that cannot be met safely in the community without intensive supports.

The Contractor will deliver evidence-based and trauma-informed clinical services to reduce reliance on emergency rooms, hospital settings, and residential treatment programs outside of New Hampshire and New England. The Contractor will support the Department's efforts to provide better long-term outcomes for youth by providing services that will be short-term, target treatment episodes to reduce re-entry into residential treatment settings, and enable the State to meet the federal regulations regarding residential programs as mandated in the Families First Services Prevention Act.

The population served includes children and youth who display acute behaviors, medical needs and mental health symptoms that require treatment in residential settings. These individuals may have specialty care needs, including intellectual and developmental disabilities, fire-setting behaviors, problematic sexual behaviors, highly aggressive behaviors, and past attempts of suicide or significant self-harm. A qualified assessor will determine whether children and youth receiving services provided in the family home are eligible for the residential levels of care.

The Contractor will provide Level 4 Care, which includes High Intensity/Sub-Acute Community Based Acute Treatment (CBAT) and High Intensity/Sub-Acute Intensive Community-Based Acute Treatment (ICBAT). The Contractor will provide services that are family-driven, youth-guided, community-based, trauma-informed, and culturally and linguistically competent in

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
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accordance with RSA 135-F. Depending on the level of care, the Contractor will provide services that may include but are not limited to:

- Residential/milieu services through direct care professionals;
- Trauma-informed treatment models including evidence based practices;
- Mental health/clinical services provided by clinical staff;
- Educational services, as approved by the Department of Education;
- Independent living/employment support;
- Positive Youth Development/Recreational opportunities;
- Safety and supervision; and
- Care coordination of all needs including medical/dental and other needs.

The Department will monitor contracted services by collecting data on referrals, family and youth engagement, quality of treatment, and transition and discharge; conducting site visits; and reviewing client files. The Department will also monitor the following:

- Rapid Acceptance of Referrals;
- Reduction of Restraint and Seclusion;
- Improvement of Child and Adolescent Needs and Strengths (CANS) scores;
- Reduction of lengths of stay; and
- Reduction of staff turnover and retention of quality staff.

The Department selected contractors through a competitive bid process using a Request for Proposals (RFP) that was posted on the Department's website from 12/11/2020 through 3/8/2021. The Department received forty-nine (49) responses that were reviewed and scored by a team of qualified individuals. The Scoring Sheet is attached.

This requested action includes one (1) contract in addition to nine (9) contracts presented to the Governor and Executive Council on July 14, 2021 (Item #14) and five (5) contracts presented to the Governor and Executive Council on August 4, 2021 (Item #15). The Department plans to submit one (1) remaining contract to a future Governor and Executive Council meeting.

As referenced in Exhibit A Revisions for Standard Agreement Provisions of the attached contracts, the parties have the option to extend the agreements for up to six (6) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and Governor and Council approval.

Should the Governor and Council not authorize this request, the Department's Residential Treatment Transformation will not be able to move forward, which could:

- Limit the amount of federal funding that the Department would have access to through the Family First Prevention Services Act and IV-E;
- Impact implementation of required trauma-informed models and evidence-based models for residential treatment programs;
- Impact the quality of services available to children and youth;

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and the Honorable Council  
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- Prevent in-state providers from accepting New Hampshire children and youth due to limited funding, which may result in referrals to out-of-state providers, limit the ability of youth to return home, and increase service costs.
- Impact the ability of the Department to implement RSA 135-F and support access to treatment for all youth.

Areas served: Statewide.

Source of Funds: CFDA #93.658, FAIN #2101NHFOST CFDA #93.558, FAIN# 2101NHTANF, CFDA #93.659, FAIN #2101NHADPT, CFDA #93.778, FAIN #2105NH5ADM

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

Respectfully submitted,

DocuSigned by:  
*Lori A. Weaver*  
4C4A92994125473...  
Lori A. Weaver  
Associate Commissioner



New Hampshire Department of Health and Human Services  
Bureau of Contracts & Procurement  
Request for Proposal: Summary Score Sheet

PROJECT TITLE	Residential Treatment Services for Children's Behavioral Health		
PROJECT ID NUMBER	RFP-2021-DBH-12-RESID		
LEVEL OF CARE	Level 1		
	Proposer Name	Option/Program	TOTAL SCORE
1	Chase Home	Independent Living Program	63
2	Dover Childrens Home	Pilot House	82
3	Home for Little Wanderers	Hillsborough Village program	47
4	Home for Little Wanderers	Village Apartments	85
5	Mentor ABI (NeuroRestorative)	NeuroRestorative NH	disqualified
6	Orion House Incorporated	Orion House	56

Reviewers Name and Title

- 1 Robert Rodier, Administrator for DCYF
- 2 Richard Sarette, Administrator for DCYF
- 3 Shawn Blakey, Program Specialist IV, CBH
- 4 Paige Morgan, Youth Voice
- 5 Tanja Godfredsen, Business Administrator, Finance



New Hampshire Department of Health and Human Services  
Bureau of Contracts & Procurement  
Request for Proposal: Summary Score Sheet

PROJECT TITLE	Residential Treatment Services for Children's Behavioral Health		
PROJECT ID NUMBER	RFP-2021-DBH-12-RESID		
LEVEL OF CARE	Level 2		
	Proposer Name	Option/Program	TOTAL SCORE
1	Chase Home	Portsmouth	83
2	Dover Childrens Home	Dover	91
3	Home for Little Wanderers	Unity House	75
4	Home for Little Wanderers	Keene House	76
5	Mentor ABI LLC (NeuroRestorative)	NeuroRestorative NH	61
6	Nashua Children's Home	Nashua	81
7	Orion House Incorporated	Orion	82
8	Spaulding Academy & Family Services	Spaulding	81
9	St. Ann's Home, Inc.	St. Ann's	85
10	Webster House	Webster	75

Reviewers Name and Title

- 1 Megan Sheehan, Program Specialist IV, DBH
- 2 Hannah Maynard, Program Specialist IV, DBH
- 3 Kara Buxton, Administrator, DCYF
- 4 Tanja Godfredsen, Business Administrator, Finance



PROJECT TITLE	
Residential Treatment Services for Children's Behavioral Health	
RFP: 2021-084-12-RFSO	
LEVEL OF CARE	
Level 3	
1	Overseas Foundation
2	East Sea
3	East Sea
4	East Sea
5	East Sea
6	East Sea
7	East Sea
8	East Sea
9	East Sea
10	East Sea
11	East Sea
12	East Sea
13	East Sea
14	East Sea
15	East Sea
16	East Sea
17	East Sea
18	East Sea
19	East Sea
20	East Sea
21	East Sea
22	East Sea
23	East Sea
TOTAL SCORE	

1. Any Landmark Program Specialist IV, CSH
2. Pauline French, Program Specialist IV, CSH
3. Kathleen Ladd, Program Specialist IV, CSH
4. Jessica Kiediger, Administrator, DCH
5. Kyle Leonard, Administrator, Finance
6. Patricia Ladd, Financial Reporting Admin

Residential Treatment Services for Children's Behavioral Health



New Hampshire Department of Health and Human Services  
Bureau of Contracts & Procurement  
Request for Proposal: Summary Score Sheet

PROJECT TITLE	Residential Treatment Services for Children's Behavioral Health		
PROJECT ID NUMBER	RFP-2021-DBH-12-RESID		
LEVEL OF CARE	Level 4		
	Proposer Name	Option/Program	TOTAL SCORE
1	Mentor ABI (NeuroRestorative)	Option B CBAT	83
2	Mount Prospect Academy, Inc.	Option A Blake Mitchell Pike	89
3	Mount Prospect Academy, Inc.	Option D ERT Campton	89
4	Mount Prospect Academy, Inc.	Option D ERT Hampden	96
5	St. Ann's Home, Inc.	Option B CBAT	81
6	St. Ann's Home, Inc.	Option C ICBAT	87
7	Vermont Permanency Initiative, Inc.	Vermont	95
8	Youth Opportunities Upheld Inc.	Option C ICBAT	89
9	Youth Opportunities Upheld Inc.	Option C ICBAT	89
10	Mentor ABI (NeuroRestorative)	Option C ICBAT	88

Reviewer's Name and Title

- 1 Darryl Tenney, Program Specialist IV, CBH
- 2 Adele Bauman, Administrator, CBH
- 3 Erica Ungarelli, Director for CBH
- 4 Rebecca Fredens, Administrator, DOE
- 5 Tanja Godfredsen, Business Administrator, Finance
- 6 Elizabeth Lalonde, Administrator, Finance



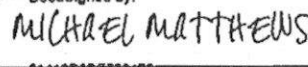

Subject: Residential Treatment Services for Children's Behavioral Health

**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 New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Youth Opportunities Upheld, Inc.		1.4 Contractor Address 81 Hope Avenue, Worcester, MA 01603	
1.5 Contractor Phone Number (508) 755-2340	1.6 Account Number See Exhibit C	1.7 Completion Date June 30, 2024	1.8 Price Limitation \$4,011,714
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by:  Date: 7/28/2021		1.12 Name and Title of Contractor Signatory MICHAEL MATTHEWS Sr. VP of Business & F	
1.13 State Agency Signature DocuSigned by:  Date: 7/29/2021		1.14 Name and Title of State Agency Signatory Katja Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: Takhmina Rakhmatova On: 8/3/2021			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

**2. 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 B 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 1.17, 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 1.13 ("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 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 for Services provided in EXHIBIT B, in whole or in part. 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 reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source 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 C 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 applicable 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 employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property 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. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

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

#### 8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, 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 give the Contractor a written notice specifying the Event of Default and 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 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. 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.

#### 9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, 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 B. In addition, at the State's discretion, 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.

#### 10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

10.1 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.

10.2 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.

10.3 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.

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.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. **INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. 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 continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

#### 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. The 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. **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.

17. **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.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and 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. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

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 or modifying provisions set forth in the attached EXHIBIT A 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 with respect to the subject matter hereof.



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**Revisions to Standard Agreement Provisions**

**1. Revisions to Form P-37, General Provisions**

1.1. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to six (6) additional year(s) from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

12.3 Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

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**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor shall provide high-quality tailored behavioral health treatment services in residential treatment settings to quickly stabilize behaviors and symptoms that children, youth and young adults herein referred to as individuals with behavioral health needs experience. This targeted treatment should enable them to return to a lower level of treatment or family-based settings, while providing their caregivers with skills to manage their needs safely in the community and enable individuals to thrive at home, in education, and in employment.
- 1.2. The Contractor shall provide Residential Treatment Services based on the levels of care identified in Section 2 Levels of Care.
- 1.3. The Contractor shall provide residential treatment services with the purpose of:
  - 1.3.1. Prioritizing short-term treatment with the goal of rapidly reunifying children with their families and/or community support networks;
  - 1.3.2. Widening access to treatment for all who need it, enabling all individuals to access services, regardless of their prior or current involvement with child welfare or juvenile justice systems;
  - 1.3.3. Reducing reliance on hospital emergency departments and reducing the need for psychiatric hospitalization;
  - 1.3.4. Prioritizing family engagement and providing caregiver education and engagement in the individual's care and recognizing that families and caregivers are an integral part of the Treatment Team Meetings /Child and Family Team
  - 1.3.5. Providing services that are trauma-informed and implementing evidence-based practices to ensure the highest quality of care and the best possible outcomes for the individual;
  - 1.3.6. Ensuring treatment is available along a continuum of care which delivers tailored treatment plans for each child according to their individual needs, and at a range of different levels of intensity;
  - 1.3.7. Coordinating effectively and seamlessly with key partner entities including the Care Management Entities (CME), the conflict free assessor (CAT), the child's school district, family and permanency

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- teams, and DCYF staff to deliver treatment according to System of Care principles;
- 1.3.8. Cultivating strong community networks around the individual to support long-term thriving in community settings after discharge;
  - 1.3.9. Providing adequate funding for service delivery, recognizing the importance of paying what it takes to deliver results for high-quality programs;
  - 1.3.10. Supporting and improving the transition of the individual from residential treatment into their home community, by utilizing oversight and supportive transitional services through CME;
  - 1.3.11. Early targeted treatment equipping the individual and their families with the skills to successfully transition into adulthood by restoring, rehabilitating, or maintaining their capacity to successfully function in the community, and diminish their need for more intensive levels of care; and
  - 1.3.12. Providing programming that offers a home like atmosphere and access to the community.
- 1.4. The Contractor shall accommodate referrals from all over State and should prioritize referrals of NH individuals.
  - 1.5. The Contractor shall provide residential treatment services for children, youth, and young adults ages 5 to under age 21 who have more intensive behavioral and mental health needs that cannot be met safely in the community without intensive supports. The Contractor may tailor their residential treatment services to serve a target population within the required age range.
  - 1.6. The Contractor shall implement New Hampshire's System of Care to serve many different kinds of emotional, behavioral, and mental health needs of children, including providing more intensive, focused, high-quality residential treatment for those with the most significant, acute behavioral health needs when required.
  - 1.7. The Contractor shall ensure services are provided to all New Hampshire eligible individuals defined in Section 1.6 and shall prioritize services first for these individuals before accepting out of state individuals who are not identified as New Hampshire residents, but who need this level of care.
  - 1.8. The Contractor shall ensure residential treatment services:

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- 1.8.1. Shall be licensed and certified. Those that are not currently certified, licensed and accredited, shall complete these requirements within 6 months from contract approval, unless otherwise agreed upon by the Department.
- 1.8.2. Shall comply with all federal, and state laws, regulations, and rules, as follows, but are not limited to:
  - 1.8.2.1. RSA 170-E;
  - 1.8.2.2. RSA 170-G:8;
  - 1.8.2.3. RSA 126-U;
  - 1.8.2.4. RSA 135-F;
  - 1.8.2.5. He-C 4001;
  - 1.8.2.6. He-C 6350; and
  - 1.8.2.7. He-C 6420.
- 1.8.3. If not located in New Hampshire, shall comply with all federal and state laws, regulations and rules of their state. In addition, Contractors shall follow:
  - 1.8.3.1. RSA 126-U;
  - 1.8.3.2. He-C 6350; and
  - 1.8.3.3. He-C 6420.
- 1.8.4. Shall be accredited by the Joint Commission, Council on Accreditation (COA), or Commission on Accreditation of Rehabilitation Facilities (CARF) for Levels 1 (optional), 2, 3, and 4.
- 1.8.5. Shall ensure clinical and medical residential treatment services align with accreditation and the level of care requirements.
- 1.9. The Contractor shall accommodate visits of the DCYF staff, Juvenile Probation and Parole Officer (JPPO), or Child Protective Service Worker (CPSW).
- 1.10. In the event of a conflict between applicable federal and state laws and rules the Contractor shall follow the most prescriptive laws and rules.
- 1.11. **Staffing, Training and Development**
  - 1.11.1. **Talent Strategy**
    - 1.11.1.1. The Contractor shall develop, implement, and maintain a creative and effective talent strategy to recruit, train, and retain staff, in order to ensure staff are committed and trained in providing high quality treatment and outcomes for individuals.
  - 1.11.2. **Staffing Ratios**
    - 1.11.2.1. The Contractor shall provide a comprehensive staffing model corresponding to each Level of Care that meets or



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exceeds accreditation standards and safety standards for the needs of the individuals and staff to ensure the quality of services is not compromised.

- 1.11.2.2. The Contractor shall notify the Department immediately, by phone or email when any of the staff ratios fall below the recommended levels and provide a plan for Department review that describes strategies to:

1.11.2.2.1. Ensure individual and staff safety is maintained at all times.

1.11.2.2.2. Ensure quality of services is not compromised.

1.11.2.2.3. Recruit staff to fill those positions as quickly as possible to minimize how long the positions are vacant.

**1.11.3. Staff Training and Development**

- 1.11.3.1. The Contractor shall develop and implement staff training to on board and retain staff to meet all requirements of applicable licensing, accreditation standards, and effective treatment and indicate the timeframes for training.

1.11.3.2. The training program shall be a comprehensive schedule that support orientation, ongoing training, refreshers and annual training.

1.11.3.3. The Contractor shall ensure all new staff complete required training prior to being counted within the staff supervision ratio

1.11.3.4. The Contractor shall develop and implement staff training that includes but is not limited to the:

1.11.3.4.1. Trauma model and other evidence-based practices utilized in treatment and incorporate applicable concepts and strategies.

1.11.3.4.2. Clinical Evidence-Based Practices used to deliver the residential treatment services.

1.11.3.5. De-escalation and restraint model which supports the limited use of restrains or seclusion in accordance with RSA 126-U and aligns with the Six Core Strategies ©.

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1.11.3.6. The Contractor shall develop and implement training for staff, individuals and their families on Family and Youth Engagement, which includes but is not limited to:

1.11.3.6.1. Working with the Department's Division of Children, Youth, and Families to provide Better Together with birth parents for clinicians, family workers or like roles and other staff who would be working with families within the first year of this Agreement.

1.11.3.6.2. Working with the University of New Hampshire Institute on Disability to provide Renew Training for programs which focus on youth fourteen (14) and older whose permanency plan is Another Planned Permanent Living Arrangement (APPLA) or Independent Living programs.

1.11.3.7. The Contractor shall ensure all staff who interact with the individuals and their families are trained in the trauma model regardless of whether or not they are responsible for supervision, clinical, medical, or educational services.

**1.12. Collaborative Care**

1.12.1. The Contractor shall work in partnership with CME and CAT Contractors to ensure individuals are referred, admitted, discharged, and transitioned in a timely manner and in alignment with the individual's clinical needs.

1.12.2. The Contractor shall work with the Department's CME Contractors regarding care coordination, discharge planning, and transitional support to a more appropriate form of care or home and community settings, and aftercare services.

1.12.3. The Contractor shall accept referrals based on the CAT Level of Care Recommendations and work with the Department's CAT Contractor to receive the individual's comprehensive assessment for treatment to incorporate the CAT's identified short and long term individual treatment goals.

1.12.4. The Contractor shall maintain clear communication with all providers, the multidisciplinary team, and especially with the individual and their child and family team.

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**1.13. Admissions, Discharges and Transitions**

- 1.13.1. The Contractor shall accept the standardized referral form that is developed by the Department.
- 1.13.2. The Contractor shall rapidly make acceptance decisions within seven (7) calendar days from receiving the referrals and make accommodations to admit the individual into the residential treatment services.
- 1.13.3. The Contractor shall ask and provide the individual with an opportunity to identify any gender nonconforming or identification as lesbian, gay, bisexual, transgender, or intersex, for the purposes of:
  - 1.13.3.1. Making housing, bed, program, education, for clients with the goal of keeping all clients safe and free from abuse;
  - 1.13.3.2. Lesbian, gay, bisexual, transgender, or intersex clients shall not be assigned in particular room other assignments solely on the basis of such identification status;
    - 1.13.3.2.1. Intake Coordinator shall consider assignment of transgender or intersex clients on a case-by-case basis when deciding where to assign the client for room and other assignments as applicable; with the goal of ensuring the client's health and safety;
    - 1.13.3.2.2. A transgender or intersex client's own views with respect to the client's safety will be given serious consideration;
- 1.13.4. For individuals other than those outlined in Section 1.17.5., the Contractor shall appropriately assign the individual a room based on needs of the population, the culture of the milieu and the clinical needs presented by the individual at the time of admission.
- 1.13.5. The Contractor may accept individuals into residential treatment services in limited cases without the residential treatment level of care determination if there is an emergency that is supported by the Department.
  - 1.13.5.1. If after the emergency admission is made and if it is determined that the individual's level of care is different from the residential treatment level of care, then the Contractor will work with the child and family team to

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support a transition to a more appropriate level of care which aligns with the needs of the individual.

1.13.6. Discharge and Transition

1.13.6.1. The Contractor shall ensure the individual's needs are satisfied, the individual does not affect other individuals being served, and the individual is not discharged because they demonstrate behaviors described in the target population.

1.13.6.2. The Contractor shall provide active residential treatment services and treatment for the individual from the time of admission until the time the individual is able to transition successfully to a more appropriate residential treatment level of care or to their family and home and community.

1.13.6.3. In order to provide individuals with successful and supported transitions, the Contractor shall work with the individuals family, caregivers, community behavioral health providers, DCYF, CME, peer support providers, school district and the next treatment providers as follows but is not limited to:

1.13.6.3.1. Inviting CME staff working with the individual to treatment team meetings.

1.13.6.3.2. Translating the treatment and skills developed by the individual during their course of treatment.

1.13.6.3.3. Sharing and transferring pertinent information prior to discharge about progress and improvements made by the individual to ensure continuity of treatment in the community

1.13.6.3.4. Inviting CME staff, child and family team to participate in treatment planning and discharge/transition planning.

1.13.6.4. The Contractor shall choose to discharge when a child is in an acute psychiatric hospital for more than 7 days.

1.13.7. The Contractor shall complete a comprehensive discharge and transition plan, which includes a strong focus on family and caregiver education and involvement in the individual's aftercare in order to prioritize episodic lengths of stay and for the purpose of the

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- individual's successful transition from residential treatment to home, school, and community as soon as possible.
- 1.13.8. The Contractor shall start discharge and transition planning on the individual's day of admission by coordinating planning with the individuals, their families and community-based service providers.
- 1.13.9. The Contractor shall ensure the individual's treatment plan includes discharge plans and coordination of services to ensure appropriate, reasonable and safe discharge plans for the continued treatment of the individual's condition and continued care with the individual, their family, school and community upon discharge.
- 1.13.10. The Contractor shall ensure families and caregivers are an integral part of the Treatment Team and Child, Family and Permanency Team, and closely collaborate with the referent and CME to build attainable transition plans into adulthood that support the individual in their next steps in life.
- 1.13.11. The Contractor shall hold a bed and not eject or discharge an individual in the event of a temporary psychiatric hospitalization or some other event that would require the child to be away from the program for no more than seven (7) calendar days. The Contractor shall accept the individual back into the program within seven (7) calendar days to resume their course of treatment. The Contractor may hold the bed longer than seven (7) calendar days if approved by DHHS. Unless approved after seven (7) bed hold days, the vendor shall discharge the child from the program.
- 1.13.12. The Contractor shall work with the Department and other key partners to develop discharge policies and practices that include no reject from being admitted to and no eject from residential treatment. Unplanned discharges from residential treatment will only be allowed by the Department in extreme circumstances of violence, acute psychiatric care needs, arrests and acute medical care needs. This does not prevent a Contractor, referral or Child and Family team from a mutual decision of a planned transition to an alternative setting.
- 1.13.13. The Contractor shall ensure in all cases of termination of services the right to appeal and the appeal process pursuant to He-C 200 are explained to the client.
- 1.13.14. The Contractor may deny admission to a program if any of the following circumstances are applicable:



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- 1.13.14.1. There are no openings at the time of referral;
- 1.13.14.2. The age of the referred child is greatly different than the current milieu;
- 1.13.14.3. There are staffing concerns at the program that would require a hold on new admissions;
- 1.13.14.4. There are specialty Care needs revealed during their course of treatment;
- 1.13.14.5. There were referrals made to specialty care programming when specialty care services were not a match;
- 1.13.14.6. The individual's needs fall well outside the program model;
- 1.13.15. The Contractor may request a discharge for individuals from a residential treatment program if any of the following circumstances are applicable:
  - 1.13.15.1. New information has indicated that the child requires specialty care that the current program does not offer;
  - 1.13.15.2. The Child has increased aggression that has resulted in excessive property damage or physical harm to staff and self and is not improving over time, indicating a higher level of care is needed; and
  - 1.13.15.3. The child's level of mental health symptoms have exceeded the level of care being provided at the program and an appropriate transition plan has been determined.
- 1.13.16. Contractor shall deliver treatment and provide services to accepted referrals until the child's level of need is reduced and their treatment goals have been met.
- 1.13.17. The Department will monitor denials, admissions, and discharges as part of continuous quality assurance and program outcomes and reserves the right to review and approve or deny denials.

**1.14. Restraint and Seclusion Practices**

- 1.14.1. The Contractor shall comply with RSA 126-U.
- 1.14.2. The Contractor shall utilize a de-escalation and restraint training which supports the limited use of restraint or seclusion in RSA 126-U and aligns with the Six Core Strategies ©.
- 1.14.3. The Contractor shall develop and implement policies and methods to reduce and eliminate use of restraint and seclusion practices by incorporating the Six Core Strategies for Reducing Seclusion and

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Restraint Use ©, for Department review, including but not limited to the following:

- 1.14.3.1. Therapeutic Crisis Intervention (TCI),
- 1.14.3.2. Crisis Prevention Institute (CPI),
- 1.14.3.3. Professional Crisis Management (PCM),
- 1.14.3.4. Mandt,
- 1.14.3.5. Handle with Care, or
- 1.14.3.6. Another model approved by the Department
- 1.14.4. The Contractor shall work with the Department and other partners towards a zero restraint practice.
- 1.14.5. The Contractor shall develop restraint and seclusion policies, and develop a method of review that will support the reduction and elimination of restraint and seclusion.

**1.15. Children's System of Care Values**

- 1.15.1. The Contractor shall provide services that align with the following System of Care values:
  - 1.15.1.1. Youth Voice and Engagement
    - 1.15.1.1.1. The Contractor shall ensure residential treatment services and treatment are youth driven as required by RSA 135-F by:
      - 1.15.1.1.1.1. Having the individual determine the types and mix of services and supports needed using their strengths and needs.
      - 1.15.1.1.1.2. Having the individual make decisions about treatment priorities and goals to be included in the treatment plans.
      - 1.15.1.1.1.3. Using Frequent clear and concise communication free of jargon that promotes respect and that individuals feel valued and heard.
      - 1.15.1.1.1.4. Having an environment that is welcoming, comforting and comfortable for all ages.

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- 1.15.1.1.2. The Contractor shall incorporate a youth voice into program design and delivery, practice, and clinical services which include providing youth opportunities such as:
  - 1.15.1.1.2.1. Facilitating their own treatment team meetings to the degree that would be both productive and clinically appropriate.
  - 1.15.1.1.2.2. Voicing their concerns or grievances about program policies and procedures, and participating in any reform efforts.
  - 1.15.1.1.2.3. Running leadership groups or programs such as student council or youth advisory boards.
  - 1.15.1.1.2.4. Developing a youth peer mentor model.
- 1.15.1.2. Family Voice and Engagement
  - 1.15.1.2.1. The Contractor shall ensure residential treatment services and treatment are family driven as required by RSA 135-F in order to improve treatment outcomes by:
    - 1.15.1.2.1.1. Having the family determine the types and mix of services and supports needed using the individual's strengths and needs.
    - 1.15.1.2.1.2. Having the family in decision making about treatment priorities and goals to be included in the individual's treatment plans.
    - 1.15.1.2.1.3. Using frequent clear and concise communication free of jargon that promotes respect



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and parents feels valued and heard.

1.15.1.2.1.4. Having an environment that is welcoming, and has space for families that is natural, inviting, and comforting.

1.15.1.2.2. The Contractor's engagement with the family shall include but not be limited to:

1.15.1.2.2.1. Encouraging families to be full participants in their children's ongoing care including participation in clinical appointments.

1.15.1.2.2.2. Welcoming natural support networks and professionals as a support to the family and youth.

1.15.1.2.2.3. Having flexible visitation policies that promote face-to-face contact, supported visitation as well as technology that prioritizes the individual's connections.

1.15.1.2.2.4. Encouraging parents and family to remain responsible for the care of their children including transportation when it is necessary, feasible, and appropriate.

**1.16. Cultural and Linguistic Diversity**

1.16.1. The Contractor shall deliver services that meet the cultural and linguistic needs of the diverse populations by:

1.16.1.1. Having services reflect the cultural, racial and ethnical and linguistic needs of the population.

1.16.1.2. Understanding the family's and their community's values and cultures.

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- 1.16.1.3: Attempting to hire individuals to provide services who are representative and knowledgeable of these values and cultures.
- 1.16.2. The Contractor shall regularly collect and review Race, Ethnicity and Language (REAL) and Sexual Orientation or Gender Identity or Expression (SOGIE) data to identify health disparities and make necessary system changes in partnership with individuals and families to address these health disparities as necessary.
- 1.16.3. The Contractor's staff shall attend Culturally and Linguistically Appropriate Services (CLAS) training provided by the Department.
- 1.16.4. The Contractor shall complete an organizational assessment to identify areas for improvement.
- 1.16.5. The Contractor shall make CLAS plans available to the Department for review to ensure the standards are being met and to ensure continuous improvement.
- 1.16.6. The Contractor's staff shall have ongoing participation in facilitated conversations on culture and diversity to explore their own values, beliefs and traditions, and the implications they have on their work.
- 1.17. Multidisciplinary Approach**
  - 1.17.1. The Contractor shall provide residential treatment in a cohesive manner to meet the needs of the individual and family by using a multidisciplinary team approach, which includes team members from disciplines at the program, such as but not limited to:
    - 1.17.1.1. Residential
    - 1.17.1.2. Education
    - 1.17.1.3. Clinical Medical
  - 1.17.2. The Contractor's multidisciplinary team at the program must prioritize communication with the child and family and the team members external to the residential treatment program.
  - 1.17.3. The Contractor shall maintain clear communication with all team members across all disciplines.
- 1.18. Treatment Settings**
  - 1.18.1. The Contractor shall provide treatment settings that are:
    - 1.18.1.1. Nurturing.
    - 1.18.1.2. Family-friendly.
    - 1.18.1.3. Provide for normalcy.
    - 1.18.1.4. Approximate community-based settings in as many ways as possible.

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- 1.18.1.5. Safe.
- 1.18.1.6. Predictable and consistent across education, residential and clinical services.
- 1.18.2. The Contractor shall provide services at the location(s) approved by the Department unless a plan for an alternative location and transition plan has been approved.

**1.19. Targeted and Active Treatment**

- 1.19.1. The Contractor shall prioritize treatment goals based on the CAT, the Child and Family team, and the expertise of the clinical program.
- 1.19.2. The Contractor's residential treatment multidisciplinary team and the Child and Family Team shall complete a treatment plan for each individual following the completion of a psychosocial assessment, which shall include:
  - 1.19.2.1. Goals and objectives that are based on the CAT report, recommended by the multidisciplinary team, and child and family team and that are most important for the individual to achieve successful discharge and transition to their family, home and community;
  - 1.19.2.2. Actionable needs identified in the CAT final report and CANS which shall be addressed upon admission and prioritized throughout the course of treatment; and
  - 1.19.2.3. Integrated program of therapies, activities, and experiences designed to meet the treatment goals.
- 1.19.3. The Contractor shall work in partnership with the child's sending and receiving (if applicable) school district to assure the individual's education needs are met and there are no gaps in educational services
- 1.19.4. As determined by the treatment plan, the Contractor shall provide targeted and active treatment seven (7) days per week. Treatment may include as follows but is not limited to:
  - 1.19.4.1. Twenty-four (24) services,
  - 1.19.4.2. Direct care, supervision, positive behavior management, and supportive services for daily living and safety,
  - 1.19.4.3. Family engagement,
  - 1.19.4.4. Consultation with other professionals, including case managers, primary care professionals, community-based mental health providers, school staff, or other support planners as often as needed,

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- 1.19.4.5. Coordination of education services, and/or
- 1.19.4.6. Additional services based on the Level of Care identified and the program model
- 1.19.5. The Contractor shall provide residential treatment services which include consideration for:
  - 1.19.5.1. A carefully designed residential environment of care that promotes trauma informed care and youth driven services.
  - 1.19.5.2. The age and developmental level of the population.
  - 1.19.5.3. Young adults who are empowered to safely participate in treatment decisions.
  - 1.19.5.4. Specific needs of DCYF-involved children, noting the trauma caused by neglect, abuse and removal, and/or involvement with the juvenile justice system.
- 1.20. Trauma Informed Care**
  - 1.20.1. The Contractor shall understand, recognize, and appropriately respond to trauma in administering treatment and services by utilizing the model identified in Section 2 to provide trauma informed care that supports staff and caregivers with the skills to aid and engage individuals
  - 1.20.2. The contractor's trauma model must adhere to the Department's Abuse and Mental Health Services Administration 6 key principles of a trauma informed approach:
    - 1.20.2.1. Safety
    - 1.20.2.2. Trustworthiness and Transparency
    - 1.20.2.3. Peer Support
    - 1.20.2.4. Collaboration and Mutuality
    - 1.20.2.5. Empowerment, Voice and Choice
    - 1.20.2.6. Cultural, Historical, and Gender Issues
  - 1.20.3. The Contractor shall embed and sustain trauma awareness, knowledge and skills into the Contractor's organizational culture, practices and policies.
  - 1.20.4. The Contractor shall provide a trauma informed model that demonstrates sensitivity to individuals who's needs prevent them from living with their families during the course of treatment.
  - 1.20.5. The Contractor shall use this model and seek approval from the Department is using a different model.

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- 1.20.6. The contractor shall submit documentation upon request of the Department that demonstrates the implementation of the trauma model.

**1.21. Evidence Based Practices**

- 1.21.1. The Contractor shall ensure individuals receive the highest quality of care and the best possible treatment outcomes by using evidence-based practices to treat and manage the individual's mental health needs, which may include, but not limited to:
- 1.21.1.1. Trauma-Focused Cognitive Behavioral Therapy,
  - 1.21.1.2. Cognitive Behavior Therapy
  - 1.21.1.3. Dialectic Behavior Therapy
  - 1.21.1.4. Motivational Interviewing
- 1.21.2. The Contractor shall ensure clinical practices are drawn from systematic, empirical studies that draw on observation or experiment and rigorous data analyses that are adequate to test stated hypotheses justify conclusions, and/or randomized control trials.
- 1.21.3. The Contractor shall explore and implement practices that are adaptive, flexible, and address the needs of the population in a targeted way.
- 1.21.4. Contractors shall provide notice to the Department when they are implementing a new Evidence Based Practice.

**1.22. Clinical and Medical Standards**

- 1.22.1. The Contractor shall provide clinical and medical services, which align with accreditation and the level of care requirements.
- 1.22.2. The Contractor shall employ clinical professionals that ensure effective treatment outcomes.
- 1.22.3. The Contractor shall provide clinical treatment services in a frequency to quickly stabilize the individual's symptoms and to meet each individual's clinical needs.
- 1.22.4. The Contractor shall explore new or promising clinical and evidenced-based models over time.
- 1.22.5. The Contractor shall have personnel trained in CANS and those personnel shall conduct the follow-up CANS when other appropriate entities such as the CME have not conducted the CANS.
- 1.22.6. The contractor shall assure that treatment is clear across the program and clear to the multidisciplinary team.

**1.23. Aftercare**

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- 1.23.1. The Contractor shall provide aftercare for Levels 2, 3, and 4 Unless that program qualifies as CBAT or ICBAT.
- 1.23.2. The Contractor shall coordinate and work with the Department's CME Contractors to provide six (6) months of aftercare services for an individual who is being discharged from the residential treatment and transitioned to their home and community. The Contractor shall work with the CME and provide aftercare services which may include but are not limited to the following activities:
  - 1.23.2.1. Consultation with both the family, service providers and CME.
  - 1.23.2.2. Attendance at any child and family team meetings which can be in person or virtually.
  - 1.23.2.3. Phone calls with the family as needed.
- 1.23.3. The Contractor shall make referrals to the Department's CME Contractors for any individual who is not involved in DCYF and who is being discharged from the residential treatment and transitioned their home and community. The Contractor shall work with the Department's CME Contractor or other aftercare services providing aftercare services with the goal of reducing recidivism and reentry into the residential treatment and other levels of residential treatment.
- 1.24. Medication Procedures**
  - 1.24.1. The Contractor shall implement medication procedures in accordance with applicable federal laws, and rules.
- 1.25. Policies and Procedures**
  - 1.25.1. The Contractor shall develop and implement written policies and procedures governing all aspects of its operation and services provided including but not limited to:
    - 1.25.1.1. Those required in 1.8.2 and 1.8.3.
    - 1.25.1.2. Written policies and procedures to include a Code of Ethics, which addresses the Contractor and all staff, as well as a mechanism for reporting unethical conduct;
    - 1.25.1.3. A written policy and procedures mandating zero tolerance toward all forms of sexual abuse and sexual harassment and outlining the Contractor's approach to preventing, detecting, and responding to such conduct;
    - 1.25.1.4. A staffing plan that provides for adequate levels of staffing to protect residents against sexual abuse;



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- 1.25.1.5. A written policy ensuring an administrative or criminal investigation is completed for all allegations of sexual abuse and sexual harassment;
- 1.25.1.6. Progressive staff discipline, leading to administrative discharge;
- 1.25.1.7. Reporting and appealing staff grievances;
- 1.25.1.8. Reporting employee injuries
- 1.25.1.9. Client rights, grievance and appeals policies and procedures;
- 1.25.1.10. Policies and procedure if the program conducts urine specimen collection, as applicable, that:
  - 1.25.1.10.1. Ensures that the collection is conducted in a manner which preserves client privacy as much as possible and is accordance with New Hampshire Administrative Rules; and
  - 1.25.1.10.2. Policies and procedures intended to minimize falsification, including, but not limited to:
    - 1.25.1.10.2.1. Temperature testing; and
    - 1.25.1.10.2.2. Observations by same-sex staff members.
- 1.25.1.11. Procedures for the protection of individual's records that govern use of records, storage, removal, conditions for release of information and compliance with 42 CFR, Part 2 and the Health Insurance Portability and Accountability Act (HIPAA); and
- 1.25.1.12. Procedures related to quality assurance and quality improvement.
- 1.25.2. The Contractor shall have policies and procedures to implement a comprehensive client record system, in either paper or electronic form, or both, that communicates information within the client record of each client served in a manner that is:
  - 1.25.2.1. Organized
  - 1.25.2.2. Easy to read and understand;
  - 1.25.2.3. Complete, containing all the parts; and
  - 1.25.2.4. Up-to-date,

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- 1.25.3. The Contractor shall have policies and procedures regarding collections of client fees, collections from private or public insurance, and collections from other payers responsible for the client's finances.
- 1.25.4. The Contractor shall develop, define and implement processes and procedures for denial of service.
- 1.25.5. The Contractor shall be responsible for providing the following to any client or the referral who is denied services:
  - 1.25.5.1. Informing the client of the reason for denial;
  - 1.25.5.2. Assisting the client in identifying or accessing appropriate available treatment;
  - 1.25.5.3. Maintaining a detailed record of the information or assistance provided.
- 1.25.6. The Contractor shall establish policies and procedures establishing, maintaining, and storing; in a secure and confidential manner, current personnel files for staff, contracted staff, volunteers or student interns. The Contractor shall ensure personnel files are maintained in accordance with personnel requirements.
- 1.26. Residential Treatment Services Start up and Implementation for Tier 3 and Tier 4 Programs**
  - 1.26.1. The Contractor shall participate in a kick-off meeting with the Department within thirty (30) calendar days of this Agreement's Effective Date to review contract timelines, scope, and deliverables.
  - 1.26.2. The Contractor shall participate in bi-weekly (every other week) telephone calls with the Department to review the status of the development and implementation for the residential treatment, for at least the first six (6) months of the Agreement. The Contractor shall:
    - 1.26.2.1. Provide a written bi-weekly progress report in advance of the telephone call that summarizes:
      - 1.26.2.1.1. Key work performed;
      - 1.26.2.1.2. Encountered and foreseeable key issues and problems and provides a solution or mitigation strategy for each.
      - 1.26.2.1.3. Scheduled work for the upcoming week.
    - 1.26.2.2. Provide a report summarizing the results of the status telephone call.
  - 1.26.3. The Contractor shall participate in implementation and operational site visits and review of individual's files on a schedule provided by the



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Department. All Agreement deliverables, programs, and activities shall be subject to review during this time. The Contractor shall:

- 1.26.3.1. Ensure the Department has access sufficient for monitoring of Agreement compliance requirements.
- 1.26.3.2. Ensure the Department is provided with access that includes but is not limited to:
  - 1.26.3.2.1. Data.
  - 1.26.3.2.2. Financial records.
  - 1.26.3.2.3. Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
  - 1.26.3.2.4. Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
  - 1.26.3.2.5. Scheduled phone access to Contractor principals and staff.
  - 1.26.3.2.6. Individual files.

**2: Residential Treatment Levels of Care**

- 2.1. The Contractor shall provide the residential treatment level(s) of care as defined in this Section 2.
- 2.2. The Contractor shall have or obtain certification for residential treatment levels of care by the Department within six (6) months of the Agreement's effective date and maintain said certification and re-apply for certification annually, in accordance with New Hampshire Administrative Rule He-C 6350 Certification for Payment Standards for Residential Treatment Programs.
- 2.3. The Contractor shall provide up to the number of beds at the identified location for each of the residential treatment levels of care outlined in the table in Section 2.3.2.
  - 2.3.1. In the event that the Contractor changes their physical location where the residential treatment services are provided, the Contractor shall notify the Department within 30 days prior to the move and provide a transition plan.

2.3.2 Residential Treatment Levels of Care and Number of Contracted Beds				
Level of Care	Vendor's Name of the Program	Location: City/Town and State	Maximum Number of Contracted Beds	Shared Beds
Reserved				

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Reserved				
Reserved				
Reserved				
Reserved				
Reserved				
Level of Care 4, High Intensity/Sub-Acute, Option B: Community-Based Acute Treatment (CBAT)	You Inc. Wetzel Center	Worcester, MA	3	Yes, with level 4 option C ICBAT
Level of Care 4, High Intensity/Sub-Acute, Option C: Intensive Community-Based Acute Treatment (ICBAT)	You Inc. Wetzel Center	Worcester, MA	3	Yes, with level 4 option B CBAT
Reserved				

2.4. Reserved

2.5. Reserved

2.6. Reserved

2.7. Reserved

2.8. Reserved

2.9. Reserved

2.10. Level of Care 4, High Intensity/Sub-Acute, Option B: Community-Based Acute Treatment (CBAT)

2.10.1. The Contractor shall provide residential treatment services Level of Care 4, High Intensity/Sub-Acute Option B: Community-Based Acute Treatment (CBAT), to children, youth, and young adults experiencing acute symptoms exacerbating clinical conditions that impede their ability to function on a day-to-day basis and who may be at risk for inpatient care without intensity therapeutic treatment to:

2.10.1.1. Support the rapid successful transition to the individuals home and community by:

2.10.1.1.1. Stabilizing and treating the acute symptoms,

2.10.1.1.2. Transitioning children, youth, and young adults from inpatient stabilizations to out of home treatment,

2.10.1.1.3. Supporting a youth who likely would otherwise require acute psychiatric settings, and/or

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- 2.10.1.1.4. Stabilizing a reduction of acuity in emotional or behavioral health functioning.
- 2.10.1.1.5. Helping the youth learn the skills and behaviors that will help the individual when they return to their homes, schools, and communities.
- 2.10.2. The Contractor shall provide services to children, youths and young adults at this level of care twenty-four (24) hours per day, seven (7) days a week, for a short term stay based on need, in an intensive, acute residential unit, or community or hospital based, which provides:
  - 2.10.2.1. High intensity clinical treatment services in a community-based setting similar to the intensity of an inpatient treatment program with frequency of treatment settings of two (2) to six (6) days a week for up to six (6) hours each day.
  - 2.10.2.2. Simulated everyday community living in a safe, therapeutic environment
  - 2.10.2.3. Highly structured treatment on a 24/7 basis,
  - 2.10.2.4. Structured and safe, therapeutic milieu environment,
  - 2.10.2.5. Medication Monitoring and management,
  - 2.10.2.6. Supervision on a continuous line of sight or dependent on the need of the individual.
  - 2.10.2.7. Concentrated individualized treatment protocol.
  - 2.10.2.8. Specialized assessment and treatment services.
  - 2.10.2.9. Community Supports.
  - 2.10.2.10. Access to public school education and/or an approved special education program on site or subcontracted
  - 2.10.2.11. Specialized social services.
  - 2.10.2.12. Behavior management.
  - 2.10.2.13. Recreation.
  - 2.10.2.14. Clinical Services.
  - 2.10.2.15. Family Services.
  - 2.10.2.16. Vocational Training.
  - 2.10.2.17. Medication Monitoring, as clinically indicated.
  - 2.10.2.18. Crisis Intervention.

**2.10.3. Staffing**

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2.10.3.1. The Contractor shall comply with the staffing requirements in New Hampshire Administrative Rule Part He-C 6350 Certification for Payment Standards for Residential Treatment Programs and Part He-C 6420 Medicaid Covered Services.

2.10.3.2. Unless otherwise approved by a waiver by the Department for the staffing ratios shown in Section 3, the Contractor shall maintain the required staffing ratios as follows:

2.10.3.2.1. Direct Care Staff/Milieu:

2.10.3.2.1.1. Milieu: Optimal Day staff ratio is 1:2 and shall include plans for increased staffing depending on acuity.

2.10.3.2.1.2. Awake overnight: 1:5 minimum 2 staff available for programs (however could float on campus or within building)

2.10.3.2.2. Clinical Services

2.10.3.2.2.1. access to clinical 24/7 may be telephonic or face to face depending on clinical need)

2.10.3.2.2.2. Clinical ratio: 1:6

2.10.3.2.2.3. Family Therapist 1:6

2.10.3.2.2.4. Family Worker: 1:8

2.10.3.2.2.5. Case Manager (may be the same position as Family Worker) 1:8

2.10.3.2.2.6. A lower ratio must be used if the clinician is fulfilling multiple roles i.e. Family therapy and family worker as well as primary clinician.

2.10.3.2.2.7. Board Certified Behavioral Analysts (BCBA) 1:10

2.10.3.2.3. Medical Care:

2.10.3.2.3.1. Nursing: available 24/7 and shall be onsite regularly within the campus or multiple programs and may be a shared resource.

2.10.3.2.3.2. Availability of prescriber/psychiatry on site.

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2.10.3.2.3.3. Physical Therapy or Occupational Therapy may be included in the program, which shall be billed directly to Medicaid.

**2.10.4. Supported Visits**

2.10.4.1. The Contractor shall provide face-to-face supervised visitation to the individual and their family at the Contractor's residential treatment setting, and may be provided at the individual's and family's home when safe and appropriate.

2.10.4.2. The Contractor shall provide supported visits in an appropriate space(s), which is safe, feels welcoming, inviting, and natural, and creates a place of comfort and connectedness for all ages being served in the residential treatment setting.

**2.10.5. Educational Services**

2.10.5.1. The Contractor shall provide educational services as part of this level of care and ensure the individual is provided with the most appropriate educational services as determined by their treatment team and sending school district, when applicable.

2.10.5.2. The Contractor shall provide onsite or subcontracting with Department approval for:

2.10.5.2.1. A nonpublic and special educational program approved by the State of New Hampshire Department of Education.

2.10.5.2.2. A Tutoring program depending on the acuity and length of stay for the individual.

2.10.5.2.3. An online educational curriculum approved by the State of New Hampshire Department of Education.

2.10.5.3. The Contractor shall connect the individual to higher education for those who have graduated high school or supporting individuals pursuing higher education or independent living with the following but not limited to:

2.10.5.3.1. Transitional Services.

2.10.5.3.2. Vocational Services.

2.10.5.3.3. Formal Education.

2.10.5.3.4. Training Programs.

2.10.5.3.5. Independent Living Skills.

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2.10.5.4. The Contractor shall work with the individual's sending school and receiving district to ensure their educational needs are met. When doing so, the Contractor shall obtain Release of Information signed by the individual, or individual's parent or guardian.

2.10.5.5. The Contractor shall retain client student records in accordance with New Hampshire regulations.

2.10.5.6. Upon client discharge from residential treatment services, the Contractor shall provide copies of the individual's records of education and progress to the individual's sending school.

**2.10.6. Transportation**

2.10.6.1. The Contractor shall ensure individuals have transportation services to and from services and appointments for the following but not limited to:

2.10.6.1.1. Court Hearings.

2.10.6.1.2. Medical/dental/behavioral (not provided by the Department's contracted Medicaid Managed Care organization (MCO) or if not appropriate to be provided by the MCO).

2.10.6.1.3. School transportation for what is not provided by an individual education plan (IEP).

2.10.6.1.4. Recreation (clubs, sports, work).

2.10.6.1.5. Family and sibling visits.

2.10.6.1.6. Other as required by the individual's treatment plan.

2.10.6.2. The Contractor shall coordinate or provide such transportation as follows, including but not limited to:

2.10.6.2.1. Working with parents or guardians to have the parent or guardian provide transportation for their child, youth or young adult, when it is safe and appropriate for a parent or guardian to provide such transportation.

2.10.6.2.2. Working with any of the Department's applicable Medicaid Managed Care Contractors for transportation to Medicaid appointments.

2.10.6.2.3. Use of Contractor-owned vehicles in accordance with Section 2.3.3 below.

2.10.6.3. In the event the Contractor uses a Contractor-owned vehicle(s), the Contractor shall:



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- 2.10.6.3.1. Comply with all applicable Federal and State Department of Transportation and Department of Safety regulations.
  - 2.10.6.3.2. Ensure that all vehicles are registered pursuant to New Hampshire Administrative Rule Saf-C 500 and inspected in accordance with New Hampshire Administrative Rule Saf-C 3200, and are in good working order.
  - 2.10.6.3.3. Ensure all drivers are licensed in accordance with New Hampshire Administrative Rules, Saf-C 1000, drivers licensing, and Saf-C 1800 Commercial drivers licensing, as applicable.
  - 2.10.6.3.4. Ensure vehicle insurance coverage shall be in amounts that are in keeping with industry standards and that are acceptable to the Contractor and the Department, the minimum amounts of which shall be not less than \$500,000 for automobile liability to include bodily injury and property damage to one person for any one accident, and \$750,000, for bodily injury and property damage to two or more persons for any one accident, including coverage for all owned, hired, or non-owned vehicles, as applicable.
- 2.11. Level of Care 4, High Intensity/Sub-Acute, Option C: Intensive Community-Based Acute Treatment (ICBAT)**
- 2.11.1. The Contractor shall provide residential treatment services Level of Care 4; High Intensity/Sub-Acute Option C: Intensive Community-Based Acute Treatment (ICBAT) to individuals who are experiencing acute symptoms exacerbating clinical conditions that impede their ability to function on a day-to-day basis, and who may be at risk for inpatient care without high intensity therapeutic treatment.
    - 2.11.1.1. Support the rapid successful transition to the child, youths, or young adults home and community by:
      - 2.11.1.1.1. Stabilizing and treating the acute symptoms,
      - 2.11.1.1.2. Transitioning children, youth, and young adults from inpatient stabilizations to out of home treatment,
      - 2.11.1.1.3. Supporting a youth who likely would otherwise require acute psychiatric settings, and/or

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- 2.11.1.1.4. Stabilizing a reduction of acuity in emotional or behavioral health functioning.
- 2.11.1.1.5. Helping the youth learn the skills and behaviors that will help the individual when they return to their homes, schools, and communities.
- 2.11.2. The Contractor shall provide services to children, youths and young adults at this level of care twenty-four (24) hours per day, seven (7) days a week, for as long as based on need, in an intensive, acute residential unit, or community or hospital based, which provides:
  - 2.11.2.1. High intensity clinical treatment services in a community-based setting similar to the intensity of an inpatient treatment program with frequency of treatment settings of two (2) to six (6) days a week for up to six (6) hours each day.
  - 2.11.2.2. Simulated everyday community living in a safe, therapeutic environment
  - 2.11.2.3. Individual, group, and family therapy
  - 2.11.2.4. Educational Services
  - 2.11.2.5. Frequent psychiatric evaluation
  - 2.11.2.6. Medication Management
  - 2.11.2.7. Other therapeutic distinctions
  - 2.11.2.8. Highly structured treatment on a 24/7 basis,
  - 2.11.2.9. Structured and safe, therapeutic milieu environment,
  - 2.11.2.10. Medication Monitoring and management,
  - 2.11.2.11. Supervision on a continuous line of sight or dependent on the need of the individual.
  - 2.11.2.12. Concentrated individualized treatment protocol.
  - 2.11.2.13. Specialized assessment and treatment services.
  - 2.11.2.14. Community Supports.
  - 2.11.2.15. Access to public school education and/or an approved special education program on site or subcontracted
  - 2.11.2.16. Specialized social services.
  - 2.11.2.17. Behavior management.
  - 2.11.2.18. Recreation.
  - 2.11.2.19. Clinical Services.
  - 2.11.2.20. Family Services.
  - 2.11.2.21. Vocational Training.



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2.11.2.22. Frequent psychiatric evaluation and Medication Monitoring, as clinically indicated.

2.11.2.23. Crisis Intervention.

**2.11.3. Staffing**

2.11.3.1. The Contractor shall comply with the staffing requirements in New Hampshire Administrative Rule Part He-C 6350 Certification for Payment Standards for Residential Treatment Programs and Part He-C 6420 Medicaid Covered Services.

2.11.3.2. Unless otherwise approved by a waiver by the Department for the staffing ratios shown in Section 3, the Contractor shall maintain the required staffing ratios as follows:

2.11.3.2.1. Direct Care Staff/Milieu:

2.11.3.2.1.1. Milieu: Optimal Day staff ratio is 1:2 and shall include plans for increased staffing depending on acuity.

2.11.3.2.1.2. Awake overnight: 1:5 and minimum two staff available for programs and position may float on campus or within building.

2.11.3.2.2. Clinical Services

2.11.3.2.2.1. Access to clinical 24/7 may be telephonic or face-to-face depending on clinical need.

2.11.3.2.2.2. Clinical ratio: 1:6.

2.11.3.2.2.3. Family Therapist 1:6.

2.11.3.2.2.4. Family Worker: 1:8.

2.11.3.2.2.5. Case Manager and may be the same position as Family Worker 1:8.

2.11.3.2.2.6. A lower ratio must be used if the clinician is fulfilling multiple roles i.e. Family therapy and family worker as well as primary clinician.

2.11.3.2.2.7. Board Certified Behavioral Analysts (BCBA) 1:10.

2.11.3.2.3. Medical Care:

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2.11.3.2.3.1. Nursing: available 24/7 and shall be onsite regularly within the campus or multiple programs and may be a shared resource.

2.11.3.2.3.2. Availability of prescriber/psychiatry on site.

2.11.3.2.3.3. Physical Therapy or Occupational Therapy may be included in the program, which shall be billed directly to Medicaid.

**2.11.4. Supported Visits**

2.11.4.1. The Contractor shall provide face-to-face supervised visitation to the individual and their family at the Contractor's residential treatment setting, and may be provided at the individual's and family's home when safe and appropriate.

The Contractor shall provide supported visits in an appropriate space(s), which is safe, feels welcoming, inviting, and natural, and creates a place of comfort and connectedness for all ages being served in the residential treatment setting.

**2.11.5. Educational Services**

2.11.5.1. The Contractor shall provide educational services as part of this level of care and ensure the individual is provided with the most appropriate educational services as determined by their treatment team and sending school district, when applicable.

2.11.5.2. The Contractor shall provide onsite or subcontracting with Department approval for:

2.11.5.2.1. A nonpublic and special educational program approved by the State of New Hampshire Department of Education.

2.11.5.2.2. A Tutoring program depending on the acuity and length of stay for the individual.

2.11.5.2.3. An online educational curriculum approved by the State of New Hampshire Department of Education.

2.11.5.3. The Contractor shall connect the individual to higher education for those who have graduated high school or

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supporting individuals pursuing higher education or independent living with the following but not limited to:

- 2.11.5.3.1. Transitional Services.
- 2.11.5.3.2. Vocational Services.
- 2.11.5.3.3. Formal Education.
- 2.11.5.3.4. Training Programs.
- 2.11.5.3.5. Independent Living Skills.
- 2.11.5.4. The Contractor shall work with the individual's sending school and receiving district to ensure their educational needs are met. When doing so, the Contractor shall obtain Release of Information signed by the individual, or individual's parent or guardian.
- 2.11.5.5. The Contractor shall retain client student records in accordance with New Hampshire regulations.
- 2.11.5.6. Upon client discharge from residential treatment services, the Contractor shall provide copies of the individual's records of education and progress to the individual's sending school.

**2.11.6. Transportation**

- 2.11.6.1. The Contractor shall ensure individuals have transportation services to and from services and appointments for the following but not limited to:
  - 2.11.6.1.1. Court Hearings.
  - 2.11.6.1.2. Medical/dental/behavioral (not provided by the Department's contracted Medicaid Managed Care organization (MCO) or if not appropriate to be provided by the MCO).
  - 2.11.6.1.3. School transportation (for what is not provided by an individual education plan (IEP)).
  - 2.11.6.1.4. Recreation (clubs, sports, work).
  - 2.11.6.1.5. Family and sibling visits.
  - 2.11.6.1.6. Other as required by the individual's treatment plan.
- 2.11.6.2. The Contractor shall coordinate or provide such transportation as follows, including but not limited to:
  - 2.11.6.2.1. Working with parents or guardians to have the parent or guardian provide transportation for their child, youth or young adult, when it is safe and appropriate for a parent or guardian to provide such transportation.

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- 2.11.6.2.2. Working with any of the Department's applicable Medicaid Managed Care Contractors for transportation to Medicaid appointments.
- 2.11.6.2.3. Use of Contractor-owned vehicles in accordance with Section 2.3.3 below.
- 2.11.6.3. In the event the Contractor uses a Contractor-owned vehicle(s), the Contractor shall:
  - 2.11.6.3.1. Comply with all applicable Federal and State Department of Transportation and Department of Safety regulations.
  - 2.11.6.3.2. Ensure that all vehicles are registered pursuant to New Hampshire Administrative Rule Saf-C 500 and inspected in accordance with New Hampshire Administrative Rule Saf-C 3200, and are in good working order.
  - 2.11.6.3.3. Ensure all drivers are licensed in accordance with New Hampshire Administrative Rules, Saf-C 1000, drivers licensing, and Saf-C 1800 Commercial drivers licensing, as applicable.
  - 2.11.6.3.4. Ensure vehicle insurance coverage shall be in amounts that are in keeping with industry standards and that are acceptable to the Contractor and the Department, the minimum amounts of which shall be not less than \$500,000 for automobile liability to include bodily injury and property damage to one person for any one accident, and \$750,000, for bodily injury and property damage to two or more persons for any one accident, including coverage for all owned, hired, or non-owned vehicles, as applicable.

**2.12. Reserved**

**3. Specific Residential Treatment Program Requirements**

**3.1. The Contractor shall provide the following staffing model(s) and/or specialty services for each of their defined levels of care.**

- 3.1.1. Should the Contractor have variations in their personnel and/or in their specialty care, if any, in this Section 3, the Contractor shall submit a plan in writing to the Department to come into compliance or an alternative plan for Department for approval to meet the intent of the

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positions, which were negotiated. The Department will provide approval in writing.

3.2. Reserved

3.3. Reserved

3.4. Reserved

3.5. Reserved

3.6. Reserved

3.7. Reserved

3.8. Level of Care 4, High Intensity/Sub-Acute, Option B: Community-Based Acute Treatment (CBAT)

**3.8.1. The Wetzel Center Community-Based Acute Treatment (CBAT)**

3.8.1.1. The Contractor shall maintain the following staffing Ratios for this level of care as outlined in the table below:

Title Position	Section 2 Staffing Requirements	Ratio Department Approved Variation
Direct Care 1st shift	Milieu 1:2	1:3
Direct Care 2nd shift	Milieu 1:2	1:3
Direct Care Overnight	Awake overnight: 1:5 minimum 2 staff available for programs	1:6
Clinical Ratio	1:6	1:6
Family Worker	1:8	Not allocated
Family Therapist	1:6	Shared with Clinician
Transportation	Not Required	Provided by residential staff 1:3
Case Manager	1:8 or see Family Worker	1:16 Case management
Board certified behavioral analyst (BCBA)	1:10	Not allocated

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Nursing Staff	available, and shall be onsite regularly	3 FTE
Psychiatrist	Availability of prescriber or psychiatry on site	.8 ; 1:12 FTE
Psychologist	Availability of prescriber or psychiatry on site	1 FTE
Medical Doctor, APRN	Not Required	.25
CNS Psychiatric Prescriber	Not Required	.8 FTE
CNS Psychiatrist (weekends)	Not Required	1 FTE
Psychiatrist (weekends)	Not required	1 FTE
Other	* Not required indicates that a specific position/personnel was not required or as a ratio	

3.8.1.2. The Contractor shall provide residential treatment services for individuals with the following specialty needs, to be determined by an independent assessor, which includes, but is not limited to:

- 3.8.1.2.1. Neurobehavioral needs;
- 3.8.1.2.2. Gender Identity;
- 3.8.1.2.3. Aggressive behavior;
- 3.8.1.2.4. Episodes Moderate Self-Injurious Behaviors;
- 3.8.1.2.5. Problematic Sexual Behavior
- 3.8.1.2.6. Human Trafficking

**3.9. Level of Care 4, High Intensity/Sub-Acute, Option C: Intensive Community-Based Acute Treatment (ICBAT)**

**3.9.1. The Wetzel Center Intensive Community-Based Acute Treatment (ICBAT)**

3.9.1.1. The Contractor shall maintain the following staffing Ratios for this level of care as outlined in the table below:

Title Position	Section 2 Staffing Requirements	Ratio Department Approved
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		<b>Variation</b>
Direct Care 1st shift	Milieu 1:2	1:3
Direct Care 2nd shift	Milieu 1:2	1:3
Direct Care Overnight	Awake overnight: 1:5 minimum 2 staff available for programs	1:6
Clinical Ratio	1:6	1:6
Family Worker	1:8	Not allocated
Family Therapist	1:6	Not allocated
Transportation	Not Required	Provided by residential staff 1:3
Case Manager	1:8 or see Family Worker	1:16
Board certified behavioral analyst (BCBA)	1:10	Not allocated
Nursing Staff	available, and shall be onsite regularly	3 FTE
Psychiatrist	Availability of prescriber or psychiatry on site	1:10; .8 FTE
Psychologist	Availability of prescriber or psychiatry on site	1 FTE
Medical Doctor, APRN	Not Required	.25 FTE
CNS Psychiatric Prescriber	Not Required	1:10; .8 FTE
CNS Psychiatrist (weekends)	Not Required	NA; FTE unclear
Psychiatrist (weekends)	Not required	NA; FTE unclear
	* Not required indicates that a specific position/personnel was not required or as a ratio	



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3.9.1.2. The Contractor shall provide residential treatment services for individuals with the following specialty needs, to be determined by an independent assessor, which includes, but is not limited to:

- 3.9.1.2.1. Neurobehavioral needs;
- 3.9.1.2.2. Gender Identity;
- 3.9.1.2.3. Aggressive behavior;
- 3.9.1.2.4. Episodes Moderate Self-Injurious Behaviors;
- 3.9.1.2.5. Fire Setting
- 3.9.1.2.6. Problematic Sexual Behavior
- 3.9.1.2.7. Human Trafficking

**3.10. Reserved**

**4. Exhibits Incorporated**

- 4.1. The Contractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.
- 4.2. The Contractor shall manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.
- 4.3. The Contractor shall comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**5. Reporting Requirements**

- 5.1. The Contractor shall submit quarterly reports to ensure compliance with the federal requirements, the goals of the System of Care, and successful delivery of the scope of work by reporting, at a minimum, on the data in Table A Key Output and Process Data as follows:

Table A
Key Output and Process Data
The data below shall be for all individuals who are connected to, referred by or funded by DHHS unless otherwise requested and identified by DHHS.
Number of children currently placed in the program

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Percent of contracted beds currently used
Turnover information (e.g., total number of staff, how many left, and reason why)
Number of days the program does not meet contractually required staffing ratios
Number of accepted referrals/new admissions (and location prior to admission)
Number of rejected referrals
Number of children discharged (and the reason for discharge)
Demographic information for each child (e.g., age, gender/sex, DCYF involvement, race/ethnicity, primary language preference, identification with sex not assigned on birth certification, sexual orientation)
Key dates per child: referral, acceptance, admission, discharge
Number of family planning team treatment meetings (and caregiver, youth attendance)
Number of treatment meetings led by youth
Number of contacts with family/caregivers
Percent of children placed outside of their school district
CANS score information per child (from CANS system report - e.g., score # at referral, at discharge)
Number of restraints
Number of seclusions
Discharge locations
Whether or not the CME was involved

5.2. The contractor shall provide any interpretation, justification or analysis of the data provided in the report referenced in 4.1

5.3. The Contractor shall provide reports monthly with any change in programming, clinical treatment, any changes in evidenced base practices or

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staffing ratios that can impact the quality of services delivered and individual and staffing safety.

5.4. The Contractor shall submit data in accordance with RSA 126-U which includes but is not limited to

5.4.1. Incidents of RSA 126-U:10

5.4.2. New Hampshire Programs Monthly totals of all children during residential time, regardless of referral source

5.4.3. Total number of restraints

5.4.4. Total number of seclusions

5.5. The Contractor shall submit data and reports based on the request of the Department in the manner, format and frequency requested by the Department which shall include but is not limited to:

5.5.1. Incident reports of

5.5.1.1. Restraint

5.5.1.2. Seclusion

5.5.1.3. Serious injury both including and not including restraint and seclusion

5.5.1.4. Suicide attempt

5.6. The Contractor shall provide data monthly and work with the data team to provide any clarity or correction of the material.

5.7. The Department reserves the right to establish additional data reporting and deliverable requirements throughout the duration of the Agreement.

**6. Performance Measures**

6.1. The Department will monitor Contractor performance and evaluate program results based on the key performance metrics in Table B as follows:

Table B	
Category	Key performance metrics:
Referral	<ul style="list-style-type: none"> <li>% of referrals that receive a response to the referral source within 24 hours [e.g., email or phone call on availability and next steps]</li> <li>Median time from referral to acceptance</li> </ul>

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	<ul style="list-style-type: none"> <li>Median time from referral to admission</li> </ul>
<b>Family &amp; youth engagement</b>	<ul style="list-style-type: none"> <li>% of treatment meetings where youth participates</li> <li>% of treatment meetings where caregiver participates</li> <li>Median # of contacts with family/caregivers per month per child</li> </ul>
<b>Quality of treatment</b>	<ul style="list-style-type: none"> <li>% of children with improved CANS scores after 3 and 6 months (<i>based on CANS system report which DHHS will access</i>)</li> <li>Median # of restraint/seclusion incidents per child and % of children with any restraint/seclusion during treatment stay</li> </ul>
<b>Transition &amp; discharge</b>	<ul style="list-style-type: none"> <li>Median length of stay: days from admission to discharge to less restrictive setting</li> <li>% children discharged to home-based setting – overall and within 30, 60, 90, 180, and 365 days</li> <li>% of children who remain in either a lower-treatment setting OR home-based setting after 6 and 12 months (<i>based on internal data which DHHS will access through CME and DCYF system</i>)</li> <li>% of children receiving referral to after-care services (e.g., Residential treatment oversight, Fast Forward) before discharge</li> <li>% of DCYF-involved children who have achieved their permanency goal at 12 months after discharge (<i>based on internal DCYF data which DHHS will access</i>)</li> </ul>

**6.2. Performance Improvement**

**6.2.1.** The Contractor shall participate in quality assurance and improvement activities with the Department and other partners and stakeholders to ensure that continuous performance and program improvement contributes in a positive way to the lives of individuals adults and their families by focusing on system level outcomes such as:

**6.2.1.1.** Reduced use of psychiatric and other residential treatment.

**6.2.1.2.** Reduced use of juvenile corrections and other out of home placements.

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- 6.2.1.3. Reduced use of emergency departments and other physical health services.
- 6.2.1.4. Reduced use of out of district placement for school.
- 6.2.1.5. Increased school attendance and attainment.
- 6.2.1.6. Increased employment for caregivers.
- 6.2.2. The Contractor shall participate in quality assurance and performance improvement activities requested by the Department, including but not limited to:
  - 6.2.2.1. Submitting reports at a frequency defined by the Department on Agreement compliance reports.
  - 6.2.2.2. Providing to the Department narrative reports that express non-child specific aggregate successes in the program, programmatic changes made and why; and barriers to program success, upon request and frequency determined by the Department.
  - 6.2.2.3. Attending monthly meetings focused on performance.
  - 6.2.2.4. Adjusting key performance metrics.
  - 6.2.2.5. Participating in quality assurance reviews and technical assistance site visits on alternating years.
  - 6.2.2.6. Participating in electronic and in-person review of case files to gain qualitative insight into treatment and program quality and compliance.
  - 6.2.2.7. Participating in inspections of any of the following:
    - 6.2.2.7.1. The facility premises.
    - 6.2.2.7.2. Programs and services provided.
    - 6.2.2.7.3. Records maintained by the Contractor.
  - 6.2.2.8. Participating in training and technical assistance activities as directed by the Department.
  - 6.2.2.9. Complying with fidelity measures or processes required for evidence-based practices or models being utilized.
  - 6.2.2.10. Adjusting program delivery.

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- 6.2.2.11. Focusing on a range of performance topics that include but are not limited to:
  - 6.2.2.11.1. Rapid acceptance of referrals and quick engagement with individuals and their families, as this is critical to ensuring children can be stabilized and begin to have their needs addressed as quickly as possible.
  - 6.2.2.11.2. Reduced use of restraints/seclusion to make progress toward the goal of eliminating the practice.
  - 6.2.2.11.3. Improving long-term program outcomes by regularly monitoring outcome goals like improving CANS scores (i.e., increase in strengths, decrease in needs) and successful discharge (i.e., whether child remains in a home-based setting after).
  - 6.2.2.11.4. Reducing lengths of stay to ensure that treatment is being provided briefly, episodically, and appropriately at the level needed to achieve treatment goals so children can quickly return to home and community settings.
  - 6.2.2.11.5. Reducing staff turnover by retaining staff, while creating space for internal advancement, in providing consistent, high-quality services.
- 6.2.3. The Contractor shall implement quality assurance activities to ensure fidelity towards the evidence-based practices and trauma informed model.
- 6.2.4. Notwithstanding paragraphs 8 and 9 of the General Provisions of this Agreement, upon identification of deficiencies in Quality Assurance, the Contractor shall, within thirty (30) days from the date the Contractor is notified of the final findings, provide a corrective action plan that includes:



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- 6.2.4.1. Actions to be taken to correct each deficiency;
- 6.2.4.2. Actions to be taken to prevent the reoccurrence of each deficiency;
- 6.2.4.3. A time line for implementing the actions above;
- 6.2.4.4. A monitoring plan to ensure the actions above are effective; and
- 6.2.4.5. A plan for reporting to the Department on progress of implementation and effectiveness.
- 6.2.5. The Contractor shall actively and regularly collaborate with the Department to enhance contract management, improve results, and adjust program delivery and policy based on successful outcomes.
- 6.2.6. The Contractor shall submit periodic reports, as stipulated between DHHS and Contractor, which include, but are not limited to Data to support performance improvement activities, DHHS will provide to Contractor a list of Data needed and the format of the Data.
- 6.2.7. The Department reserves the right to request and the Contractor agency shall provide financial information on the following: what individuals are benefitting from Contractor's services, how much was spent per individual and what type of services are being received by each individual.
- 6.2.8. The Department reserves the right to establish data reporting and deliverable requirements throughout the duration of the contract.
- 6.2.9. The Department reserves the right to request service plan and other documentation to comply with federal requirements upon request.
- 6.2.10. The Department reserves the right to request and the Contractor agency shall provide financial information on the following: what individuals are benefitting from Contractor's services, how much was spent per individual and what type of services are being received by each individual.

**7. Additional Terms**

**7.1. Impacts Resulting from Court Orders or Legislative Changes**

- 7.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services



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described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**7.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**

7.2.1. The Contractor shall submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**7.3. Credits and Copyright Ownership**

7.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement shall include the following statement, "The preparation of this (report, document etc.) was financed under an 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."

7.3.2. All materials produced or purchased under the Agreement shall have prior approval from the Department before printing, production, distribution or use.

7.3.3. The Department shall retain copyright ownership for any and all original materials produced, including, but not limited to:

- 7.3.3.1. Brochures.
- 7.3.3.2. Resource directories.
- 7.3.3.3. Protocols or guidelines.
- 7.3.3.4. Posters.
- 7.3.3.5. Reports.

7.3.4. The Contractor shall not reproduce any materials produced under the Agreement without prior written approval from the Department.

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- 7.3.5. The Contractor shall ensure all educational and informational materials are understandable, free of jargon, family friendly and written appropriately for the audience when such materials are used to educate and inform individuals and their families about the residential treatment program, services, and treatment.

**8. Records**

- 8.1. The Contractor shall keep records that include, but are not limited to:

8.1.1. Books, records, documents and other electronic or physical 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.

8.1.2. All records must 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.

8.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, 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.

8.1.4. Medical records on each individual of services.

- 8.2. During the term of this Agreement 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 Agreement for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this

**New Hampshire Department of Health and Human Services  
Residential Treatment Services for Children's Behavioral Health  
EXHIBIT B**

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Agreement and/or survive the termination of the Agreement) 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.

**New Hampshire Department of Health and Human Services  
Residential Treatment Services for Children's Behavioral Health  
EXHIBIT C**



**Payment Terms**

1. This Agreement is funded by:
  - 1.1. Funds from the Foster Care Program, Title IV-E, Catalog of Federal Domestic Assistance (CFDA) #93.658, Federal Award Identification Number (FAIN) 2101NHFOST
  - 1.2. Funds from Temporary Assistance for Needy Families, Catalog of Federal Domestic Assistance (CFDA) #93.558, Federal Award Identification Number (FAIN) 2101NHTANF
  - 1.3. Funds from Adoption Assistance (CFDA) #93.659, Federal Award Identification Number (FAIN) 2101NHADPT
  - 1.4. Funds from Medical Assistance Program (CFDA) #93.778, Federal Award Identification Number (FAIN) 2105NH5ADM
  - 1.5. General funds.
2. Depending on the eligibility of the client, funding type is determined at the time of payment. Possible account numbers to be utilized include the below.
  - 2.1. 05-95-92-921010-20530000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF CHILDRENS BEHVIORAL HEALTH, SYSTEM OF CARE, CLASS 102 – CONTRACTS FOR PROGRAM SERVICES
  - 2.2. 05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 636 – TITLE IV-E FOSTER CARE PLACEMENT
  - 2.3. 05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 639 – TITLE IV-A/TANF EMERGENCY ASSISTANCE PLACEMENT
  - 2.4. 05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 643 – STATE GENERAL FUNDS FOR PLACEMENT
  - 2.5. 05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES DIV, CHILD PROTECTION, CHILD – FAMILY SERVICES, CLASS 646 – TITLE IV-E ADOPTION PLACEMENT
  - 2.6. 05-95-47-470010-79480000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: OFC OF MEDICAID

**New Hampshire Department of Health and Human Services  
Residential Treatment Services for Children's Behavioral Health  
EXHIBIT C**



**SERVICES, OFC OF MEDICAID SERVICES, MEDICAID CARE  
MANAGEMENT, CLASS 535 – OUT OF HOME PLACEMENTS**

3. For the purposes of this Agreement:
  - 3.1. The Department has identified the Contractor as a subrecipient, in accordance with 2 CFR 200.331.
4. The Contractor shall bill and seek reimbursement for services provided to individuals pursuant to this Agreement as follows:
  - 4.1. For Medicaid enrolled individuals in the programs listed in section 4.1.1, a daily rate will be awarded in the amount per client per day indicated in the table listed under section 4.1.1. This per diem rate will be set for the term of the contract. Rates may be reviewed every two years to follow the State's biennium to consider rate adjustments.

**4.1.1.**

<b>Program - The Welzel Center CBAT</b>	
Residential for IEP eligible youth per day	\$509.00
Residential Non-IEP eligible youth per day	\$509.00
<b>Program - The Welzel Center ICBAT</b>	
Residential for IEP eligible youth per day	\$1,040.25
Residential Non-IEP eligible youth per day	\$1,040.25

- 4.1.2. Education for IEP eligible youth shall be billed to the youth's sending school by the Contractor. The daily rate for education for Non-IEP eligible youth will be paid in the amount per client per day in accordance with the current, publically posted special education tuition prices posted on Mass.gov by the State of Massachusetts's Operational Services Division (OSD).
- 4.1.3. Billings shall occur on at least on a monthly basis and shall follow a process determined by the Department.
- 4.2. For Managed Care Organization enrolled individuals the Contractor shall be reimbursed pursuant to the Contractor's agreement with the applicable Managed Care Organization for such services.
- 4.3. For individuals with other health insurance or other coverage for the services they receive, the Contractor will directly bill the other insurance or payors.
- 4.4. For individuals without sufficient health insurance or other coverage for the services they receive which the Contractor cannot otherwise seek reimbursement from an insurance or third-party payor, the Contractor will directly bill the Department to access contract funds provided through this Agreement. The Contractor shall submit an invoice in a form satisfactory to the Department with supporting documentation

DocuSigned by:  
**MICHAEL MATTHEW**  
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**New Hampshire Department of Health and Human Services  
Residential Treatment Services for Children's Behavioral Health  
EXHIBIT C**



including but not limited to the denial of claims. The Contractor shall only be reimbursed up to the current Medicaid rate for the medicaid eligible services provided.

- 4.4.1. In lieu of hard copies, all invoices with supporting documentation may be assigned an electronic signature and emailed to [dhhs.dbhinvoicesmhs@dhhs.nh.gov](mailto:dhhs.dbhinvoicesmhs@dhhs.nh.gov), or invoices may be mailed to:

Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301

- 4.4.2. The Department shall make payment to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.

- 4.5. Maximum allotment for daily rate expenditure for Department funded expenditures by fiscal year is as follows:

4.5.1. Sub-total: \$4,011,714.00

4.5.2. SFY 22: \$1,337,238.00

4.5.3. SFY 23: \$1,337,238.00

4.5.4. SFY 24: \$1,337,238.00

5. Prior to submitting the first invoice, the Contractor must obtain a *Vendor Number* by registering with the New Hampshire Department of Administrative Services here ([Vendor Resource Center | Procurement and Support Services | NH Dept. of Administrative Services](#)).
6. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
7. Audits
- 7.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:
- 7.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.



**New Hampshire Department of Health and Human Services  
Residential Treatment Services for Children's Behavioral Health  
EXHIBIT C**



- 7.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
- 7.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 7.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.
- 7.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
- 7.4. Any Contractor that receives an amount equal to or greater than \$250,000 from the Department during a single fiscal year, regardless of the funding source, may be required, at a minimum, to submit annual financial audits performed by an independent CPA if the Department's risk assessment determination indicates the Contractor is high-risk.
- 7.5. 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.



New Hampshire Department of Health and Human Services  
Exhibit D



**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

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New Hampshire Department of Health and Human Services  
Exhibit D



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
- 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
- 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

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

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

Vendor Name:

7/28/2021

Date

DocuSigned by:

MICHAEL MATTHEWS

Name: MICHAEL MATTHEWS

Title: Sr. VP of Business & F

New Hampshire Department of Health and Human Services  
Exhibit ECERTIFICATION 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:

7/28/2021

Date

DocuSigned by:

MICHAEL MATTHEWS

Name: MICHAEL MATTHEWS

Title: Sr. VP of Business & F

Exhibit E – Certification Regarding Lobbying

Vendor Initials

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Date 7/28/2021


New Hampshire Department of Health and Human Services  
Exhibit F



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

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

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this 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 <sup>DS</sup> 

New Hampshire Department of Health and Human Services  
Exhibit F



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.

Contractor Name:

7/28/2021

Date

DocuSigned by:

MICHAEL MATTHEWS

Name: MICHAEL MATTHEWS

Title: Sr. VP of Business & F

Contractor Initials

DS  
MM

Date 7/28/2021



New Hampshire Department of Health and Human Services  
Exhibit G



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

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

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

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

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Contractor Initials

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

6/27/14  
Rev. 10/21/14

Page 1 of 2

Date 7/28/2021

New Hampshire Department of Health and Human Services  
Exhibit G



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

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

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

7/28/2021

Date

DocuSigned by:

MICHAEL MATTHEWS

Name: MICHAEL MATTHEWS

Title: Sr. VP of Business & F

Exhibit G

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

6/27/14  
Rev. 10/21/14

Page 2 of 2

Contractor Initials

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Date 7/28/2021



New Hampshire Department of Health and Human Services  
Exhibit H



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name:

7/28/2021

Date

DocuSigned by:

MICHAEL MATTHEWS

Name: MICHAEL MATTHEWS

Title: Sr. VP of Business & F

## New Hampshire Department of Health and Human Services



## Exhibit I

# HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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- 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 not disclose the PHI.

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

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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

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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. MM

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## Exhibit I

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

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

Department of Health and Human Services

The State

*Katja Fox*

Signature of Authorized Representative

Katja Fox

Name of Authorized Representative  
Director

Title of Authorized Representative

7/29/2021

Date

Youth Opportunities Upheld, Inc.

Name of the Contractor

*MICHAEL MATTHEWS*

Signature of Authorized Representative

MICHAEL MATTHEWS

Name of Authorized Representative

Sr. VP of Business & F

Title of Authorized Representative

7/28/2021

Date

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Date 7/28/2021





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Exhibit J

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

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

In accordance with 2 CFR Part 170 (Reporting 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:

7/28/2021

Date

DocuSigned by:

MICHAEL MATTHEWS

Name: MICHAEL MATTHEWS

Title: Sr. VP of Business & F

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**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: 198543712
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: _____

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Exhibit K

DHHS Information Security Requirements



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

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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

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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



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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

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DHHS Information Security Requirements



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.).

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DHHS Information Security Requirements



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

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DHHS Information Security Requirements



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.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



- 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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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